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THE AFFAIRS

OF GREAT BRITAIN, &c.

ADMINISTRATION
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GREAT BRITAIN, &c.

ADMINISTRATION

THE AFFAIRS

GREAT BRITAIN

IRELAND

AND
ADMINISTRATION

THEIR DEPENDENCIES

AT THE

THE AFFAIRS
COMMENCEMENT OF THE YEAR 1833

STATED AND EXPLAINED

GREAT BRITAIN, &c.

FINANCE, NATIONAL RESOURCES,
FOREIGN RELATIONS, COLONIES, TRADE,
AND DOMESTIC ADMINISTRATION

SIXTH EDITION

LONDON:

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OF
THE AFFAIRS
OF
GREAT BRITAIN,
IRELAND,
AND
THEIR ~~DEPENDENCIES~~,
AT THE
COMMENCEMENT OF THE YEAR 1823.

STATED AND EXPLAINED

UNDER THE HEADS OF

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AND DOMESTIC ADMINISTRATION.

by Sergeant Copley
SIXTH EDITION.

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Attorney General
J. H. H.
UNIVERSITY OF TORONTO
ADMITTED

THE AFFAIRS

GREAT BRITAIN,

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The time is now ripe in which the main branches of our national financial system, their resources, and the manner in which they are managed, pass under the scrutiny of a public estimate of any kind. It is a time when the public mind is turned to the consideration of the state of our national resources, and the manner in which they are managed. To assist in forming the public judgment upon these matters, the following observations are presented to the public mind. It is the intention of the author to take a review of the actual state of affairs from January 1854 to the year 1855, and to present the results of his inquiries in a series of papers, which will be published in the course of the year 1855. In investigating the state of our national resources, the author has been assisted by the most suitable means, and has been enabled to obtain the most accurate information. The author has been assisted by the most suitable means, and has been enabled to obtain the most accurate information. The author has been assisted by the most suitable means, and has been enabled to obtain the most accurate information.

FORWARDED
BY
MRS. J. H. B. B. B.

ADMINISTRATION,

&c. &c.

THE time is approaching in which the main branches of our administration, financial, foreign, domestic, and colonial, must severally pass under the ordinary annual review of Parliament. To arrive at a just estimate of any one of these subjects requires a closer and nearer examination of the public documents, and official statements, than can be afforded at the time and place of their discussion. To assist in forming the public judgment upon these subjects; to produce, explain, and arrange these documents, is the purport of the following observations. It is, therefore, proposed to take a review of the actual state of affairs from January, 1822, to the year now commenced.

In investigating the mass of materials and facts, which must necessarily compose such an examination, it will be immediately seen, that the established order of public business affords the most suitable method for developing a sub-

ject matter so extensive and various. It is our purpose, therefore, to follow this order.

Under the head of Finance, the year 1822 has been distinguished by some memorable measures which will be discussed in their due order. For the first time, perhaps, the public have acknowledged the peculiar system of Lord Liverpool and the Chancellor of the Exchequer in active and effectual operation; and have seen those practical results which no one had previously anticipated. They have seen taxes reduced, in one year, to the amount of nearly four millions; whilst the service of the country has been effectually administered through all the departments, and public credit maintained and strengthened by an actual surplus fund of five millions.

Under the head of our National Resources, the reader will learn, with unqualified pleasure, that all the springs of our public wealth are entire and unimpaired; that our foreign commerce is administering the most abundant supply to our internal trade and manufactures; whilst all sources are pouring forth, in a bounteous stream, their several contributions to the public revenue.

The review of our Foreign Relations, and of our Colonial Administration, will follow the statement of our national resources, and will

enforce, it is presumed, the same conclusion. In common with every intelligent mind, his Majesty's ministers cannot but be strongly impressed with the most essential value, not to say paramount necessity, of the existing general peace of Europe; and with their own obligations not to be wanting in every effort to preserve it, by maintaining its securities. They are, doubtless, of opinion, that these securities consist in that state of actual possession by the several European powers, which was settled by the treaties of Vienna. But they cannot, at the same time, hesitate to admit, that every independent power has a right to consult for the exigencies of its own self-defence, and to decide the question of its own danger.

The remaining portion of the subject matter of these pages will necessarily fall under the head of Domestic Administration; under which it is proposed to take a brief review of those measures, which have been adopted for the purpose of assisting and promoting the agricultural, commercial, shipping, manufacturing, and general interests of the country.

As a statement, already necessarily long, would have been rendered too voluminous for general use by the annexation of all the documents employed at full length, tables and papers have been omitted. Enough, however, is

given, in all cases, to justify the conclusion to which the reader is invited. Some of the accounts have not been made up, and, of course, have not been published beyond the last quarter. Many of the accounts, as in the Customs and Excise, are only monthly and weekly computations from this period. But it is presumed, that all these documents (whatever be their nature) will be found to be used only according to their just character; and that the completion of the accounts, and their official production, at the usual period of the year now running, will sufficiently bear out every statement made upon their basis.

The general object of these observations is, to appeal to the good sense and the good feelings of the people of England, and to show the claim of his Majesty's ministers to that degree of public confidence and co-operation, which, by assisting to maintain order and tranquillity, and by repressing all impediments, merely vexatious, must eminently advance and facilitate the public service.

FINANCE.

It is certainly not too much to remark upon this branch of our subject, that we are living in times, in which a particular state of circumstances gives an unusual importance to the financial administration of the kingdom. In an ordinary state of things, it is not much to the honour of any government, and certainly not of a monarchy, to give not only the first place, but almost the sole attention, to its pecuniary administration. It has accordingly been well said by the first of all political writers, that as the principle of a monarchy is honour, and that of a mixed government, like England, a love of the constitution, there must be a speedy end of such governments, where the honour of the one form, and the patriotism of the other, are supplanted by the mere spirit of saving or acquiring. A nation of traders will not long tolerate the constitutional predominance of a nobility, upon which all monarchies must rest; and a nation of mere calculators and economists will be speculating upon some cheaper form of government than a mixed system. But if there be much truth in these general principles, so much so, indeed, as to sug-

gest it as a point of prudence to our nobility and country gentlemen, how far they may be consulting their own interests in making common cause with the economists of the age, in an effort to reduce all the establishments of the country; it is equally certain, that there may be a condition in public affairs, which will justly give a temporary superiority to the financial administration. Such, perhaps, is the condition of Great Britain at the present time, where a long course of war has greatly added to the public debt, and where the same cause has, in appearance at least, affected the productiveness of one of the main funds of our national resources.

Let it be granted, therefore, that our economical administration was never of more importance than at the present period. But let it be equally granted, as a necessary consequence, that the nation owes a proportionate acknowledgment to his Majesty's ministers, if it shall be made to appear, upon a brief view of their measures, that they have administered the finances of the empire with a proper regard to the relief of the people, and to the safety of the state; to present economy on the one part, and on the other, to the due security of that large, that immense portion of individual property, which is collected and distributed amongst in-

numerable holders, in the vast mass of our National Debt.

Upon a general review of the history of the year now ended, it appears that the financial measures of the year 1822 were chiefly six in number. 1. The reduction of the public expenditure, from the estimate of the former year, by two millions. 2. The establishment and maintenance of the Sinking Fund to the amount of five millions. 3. The reduction of one hundred and fifty-five millions, five per cents, into four per cents. 4. The conversion of the five millions annual naval and military pensions into an annuity of 2,800,000*l.* for forty-five years. 5. The application of the 3,300,000*l.* saved by the operation of these measures, to the remission of annual taxes. And lastly, the measures in aid of the currency of the country.

The first of these points will be best explained by a few previous observations upon what may be regarded as the characteristic of the Finance System of the present administration.

This system, if defined, or rather described, by its effects, may be stated briefly to consist of two objects; the first, to abstain, as much as possible (under the actual burthens of the country), from all loans and new taxes, and to

meet the expenditure of the year by the actual money income. And as this object necessarily comprehends the application of the greater portion of the old Sinking Fund to the current expense of the year, to augment what might remain of this fund into a new effective sinking, or rather surplus fund, of five millions; and with this surplus, always maintained, and, in all probability, greatly augmented by gradual reductions of the expenditure, and a progressive increase of the revenue, to operate from time to time on the money market, in buying up, exchanging and reducing the public stocks, so as to reduce the capital debt from a higher to a lower denomination. Secondly, after this sinking fund shall have attained to the amount of one per cent. upon the capital of the National Debt, to apply its annual surplus to the gradual remission of such of our taxes as press most heavily upon the landed or commercial interests of the country.

When the ministry of Lord Grenville and Mr. Fox succeeded that of Mr. Pitt and Lord Sidmouth, the system of Finance of that administration was to raise as much as possible of the total expenditure within the year, and to make up the deficiency by annual loans. This of course could only be effected by heavy an-

nual taxes; to supply, in the first place, the portion of the expenditure not afforded by the loans, and secondly, to pay the interest of the loans. Accordingly, during that administration, some of the present taxes (it is not said with any purpose of offence or censure) were from year to year imposed upon the public. The property tax was greatly increased; and as the amount so raised was still insufficient, several other imposts were applied, or rather attempted, which excited general discontent. The proposal to tax private brewing was defeated by an unanimous popular voice, and to say no more upon the proposed tax upon pig iron, it was withdrawn under a necessity equally strong. There were some circumstances, however, peculiar to those times, which assisted this system of Finance, and gave it a longer duration than, under any other state of things, it could have possessed. The coalition of parties, so long opposed to each other, had reduced, or nearly extinguished, the strength of opposition in parliament. The novelty of a Whig administration, with Mr. Fox at its head, had a powerful influence on the popular mind; whilst the great naval victories of that period, and that of Trafalgar in particular, united public opinion in favour of the existing admi-

nistration. Add to this, a condition of increasing trade and commerce under the effect of foreign capital settling in England; and add, moreover, a state of prices and profits which, from the effect of the vast sums successively, from year to year, thrown into the market by the government expenditure, was now augmenting rapidly in every branch of industry, and in every employment of money. But, favourable as were these circumstances to induce the public to submit to extraordinary sacrifices, and to encourage the ministers to make extraordinary efforts, the burthen was becoming so intolerable, and a concurrent public voice was so loudly and so generally raised against this system, that the proposed new taxes were defeated almost as soon as introduced.

Such was the state of things at the period when this administration retired. Indeed, as respects a great division of this ministry, the particular friends of Mr. Fox, and of his principles, it is not too much to assert, that their retirement was at least as popular as had been their entry into office. Without any purpose of speaking uncivilly of this party, it may at least be said, that they were men *quos omnes imperio dignissimos existimarent, donec imperassent*.

The administration of Mr. Perceval succeeded—very far be it from the writer of these observations to mention with any disrespect a name to which he feels himself attached from closer considerations than those of public life, —a name, moreover, eminently distinguished by every private virtue, and by sincere and unwearied efforts in the public service. But Mr. Perceval entered into office immediately from the active business and warm contention of the bar, and he assuredly carried with him much of the habits and feelings of his profession.—He saw the state of the country, and particularly the finance department, in too sanguine a point of view.—He felt that it was his professional duty to defend the existing state of things, and he defended it with the talents, and, —let it be added without offence— with the temperament of a lawyer. Feeling conscientiously and strongly, he still further warmed himself with his own efforts; and becoming more dazzled and more enamoured with his subject, in proportion as he rendered it his own, he assuredly coloured too highly; but as regarded himself, his opinions, convictions, and feelings, were perfectly sincere, and he acted upon them. Against the experience of what he had seen in the cabinet to which he succeeded, he perse-

reverted in the system of the preceding ministry. He added the war-timber duties, and several other taxes, which only survived him, because they had created a necessity of continuing themselves; and because it is totally a different question, whether a tax should be at first imposed, and whether, after having been imposed, and having created a form of business and dealing peculiar to itself, it should be repealed. But Mr. Perceval lived long enough to perceive his error; and it is due to his memory to add, that he intended to rectify it.

The effect of this system, thus introduced by one ministry, and continued by another, was daily becoming more obvious, and exhibited itself in a clamour against the amount and inutility of the Sinking Fund—the use and policy of which had before been an admitted principle with all parties.

It was under this state of things, and this condition of public opinion, that his Majesty's present ministers entered into office. It was under these circumstances, that the present Chancellor of the Exchequer found it necessary to depart from the former system, and, in deference to a just public opinion, and indeed from the obvious necessity of the case, to consider the actual amount of the existing

Sinking Fund, and to recognise the claims of the public to some immediate relief in return for long sacrifices. He could not but perceive that the money market was becoming inundated with the public securities, and that every new loan was successively made upon less favourable terms. He could not but perceive that the value of the currency of the country was becoming deranged by the vast amounts yearly added under the operation of loans; and that prices were, nominally, rising in a degree, which at that period bore very hardly upon fixed incomes, and menaced the future condition of the country still more materially.

It was, therefore, under this experience of the present, and this just apprehension for the future (an apprehension too justly verified), that the Chancellor of the Exchequer adopted what may be regarded as his new system of Finance, *namely, to meet the expenditure of the year by the actual money income, without the aid of loans or new taxes; but to maintain the Sinking Fund at five millions, and with that amount, increased by gradual reductions in the expenditure, and by the progressive productiveness of the sources of revenue, to operate, from time to time, in the money market; in buying up, exchanging, and reducing the public stocks, so as to reduce the capital debt from a higher to a lower denomination.*

In order to execute this system in its detail,

it became the daily object of the Chancellor of the Exchequer to give a constant attention to the following main points :

First, to the maintenance at all events of the Sinking Fund at five millions.

Secondly, to the application of the savings arising from a progressive increase in the revenue, (and from every possible reduction) to advance, in the first instance, the amount of this Sinking Fund to £7,500,000, so as to render it equivalent to one per cent. on the sum total of the National Debt.

Thirdly, to apply any probable surplus during these operations, and the certain surplus at the end of a very short period, to the buying up of the public stocks, so as to reduce them to a lower rate of interest, and thereby to enable himself to remit taxes to their amount.

Fourthly, (as the advance of the Sinking Fund to the amount of £7,500,000, however desirable, was certainly not necessary in the same degree with its maintenance at five millions) to consult, from time to time, the actual burthen of particular taxes, and in the event of such taxes becoming more than ordinarily oppressive, under a peculiar state of things, to apply part of the surplus of the year to the remission of such taxes, in preference to the application of such surplus to advance the Sinking Fund from £5,000,000 to £7,500,000.

Such being the finance system—upon which, after a most assiduous and laborious attention to the actual condition of the country, his Majesty's ministers had resolved to act,—they saw with the greatest satisfaction, on the commencement of the session of Parliament in February, 1822, that the execution of some retrenchment in the detail of affairs, and the consolidation of some branches of service, had enabled them to meet Parliament with a reduction of the estimates to the amount of 2,000,000*l*.

It is not the purpose of the present observations to retrace figures, the general result of which, if not the detail, is within the memory of every intelligent reader. It will be sufficient upon this head of retrenchments, to recal to the memory of the reader, that under the four heads of army, navy, ordnance, and miscellaneous, the estimates for the year 1822 exhibited a reduction of two millions below the estimates of the preceding year 1821. If to this saving of two millions, as compared with the estimates of 1821, be added the further saving of 1,600,000*l*., which was effected in the year 1821, it will be seen that the expenditure of the current year, last compared with 1820, was reduced in fact by 3,600,000*l*;

application of such surplus to advance the Sinking Fund from £5,000,000 to £7,500,000.

the estimates for 1820 being 19,673,000*l.*, and those for 1822 being 16,145,000*l.* In the Report of the Finance Committee, for the year 1817, the future annual expenditure of the country, for army and navy, ordnance and miscellaneous, was estimated at 17,300,000*l.* But the actual estimates for these four branches for the year just ended (1822) amounted only to 16,248,346*l.*, being a saving of 1,101,654*l.*, beyond the estimate of that committee.

It is but just, however, to his Majesty's ministers, that the public should always retain in their mind two main points as regards this amount of reduction. The first is, that this reduction of two millions, if properly considered, was to be regarded as made upon an annual expenditure of thirteen millions, and not of eighteen millions. The true state of the question is this—the estimates for the preceding year 1821, were indeed in round figures eighteen millions; but if we deduct from this sum, as we manifestly ought, the five millions naval and military pensions, the clear cost of the annual establishment will appear to be thirteen millions only. The two millions' reduction was therefore made on an annual current expenditure not exceeding thirteen millions; or, in other words, the amount of reduction for the

Fund to the amount of five millions. It is

year 1822 almost equalled one-sixth, or sixteen per cent., of the annual ordinary expenditure of the year.

The second point is, that, in justice to his Majesty's ministers, it ought not to be forgotten, how heavily a dead expense of the amount of five millions, and of whatever is paid in commutation of it, must press upon the ordinary resources of the year; and how much it is a matter of common candour to make a due separation of what is paid upon this account, from our ordinary annual expenditure; and to bear this in mind, upon all occasions of comparing the expenditure of the present and of former periods. In the year 1792, that golden era, to which all the economists of the present day so fondly resort, as the standard for our future establishment, the annual amount of the naval, military, and retired pensions, in short the same head of service which now amounts to five millions, did not exceed, in that year, 650,000*l.*; so unequal is the pressure of the two periods, and so large is the amount of that portion of our annual expenditure, which, however it may be paid, admits of no reduction but in the form of commutation.

The second finance measure of the year was the attainment (in point of fact) of a Sinking Fund to the amount of five millions. It is

scarcely necessary to repeat, except for order, that the Finance Committee in 1819 came to a resolution that a Sinking Fund of this amount was necessary for the due security of the public creditor, and for the maintenance of the credit and solidity of the public funds. From this period to the present, it has been the constant effort of his Majesty's ministers to accomplish such a surplus of the income of the year above the expenditure. Upon the meeting of Parliament in February last, it was, therefore, much to their satisfaction, that they were enabled to produce an account, which beyond all denial or controversy, most clearly, and for the first time, exhibited a surplus to this amount. Their progress in this effort for three years may be very briefly stated.

Comparison of Income and Expenditure.

Year ended 5th January, 1821.	
Income	54,542,958
Expenditure	53,095,877
Surplus of income over expenditure	<u>L 1,447,580</u>
Year ended 5th January, 1822.	
Income	55,997,592
Expenditure	53,325,915
Surplus of income over expenditure	<u>L 2,671,676</u>

Year that will end 5th January, 1823.

Estimated income 55,228,592

Estimated expenditure (including 350,000*l.* extra expenditure on account of the Irish rebellion) 49,968,364

Surplus for Sinking Fund £5,260,246

When such have been the efforts and such the success of his Majesty's ministers, in accomplishing a Sinking Fund to this amount, it was surely not too much for them to expect the unanimous approbation of the Parliament and the public. If the labours of any Committee have, in any period, been above all suspicion, and indeed free from all actual charge of party feelings or influence, it was the Finance Committee in 1819. Upon their report being made and duly considered by the House of Commons, the House came to an almost unanimous vote, by which they adopted the Sinking Fund recommended by the Committee; and, by a necessary implication, bound his Majesty's ministers to give it an effective execution. When ministers, through a period of the greatest difficulty, had given it this execution, and had accomplished this clear surplus of five millions, was it too much to expect the hearty concurrence of all parties in approving and maintaining this measure?

But we live in times in which every thing is again to be called into contest and dispute. Accordingly, a class of writers has arisen, which now denies altogether, for the first time, the utility of the Sinking Fund, and holds it forth as a financial delusion upon the parliament and country. Perhaps in this case, as in most others, the controversy has been produced from the opposite parties affixing different significations to the same terms. The objections, therefore, may be best answered, by setting down, in clear and brief words, what his Majesty's ministers regard to be the true nature and use of the Sinking Fund.

Briefly, therefore, they consider the Sinking Fund to be eminently useful in the following three points of view:

1. As a surplus fund, for giving to his Majesty's ministers (through the commissioners for the redemption of the National Debt) a due weight and control in the money market, and, more particularly, for upholding the credit of Government under any casual deficiency of the revenue, arising from the fluctuation in the produce of the taxes.
2. As a fund, to be employed according to the occasions of the money market, and, especially, in reducing the interests of the National Debt to the common level of a three per cent. stock.

3. As an accumulation of treasure, and of disposable income, for any emergency of the state.

As a surplus fund for the first object, it is scarcely necessary to refer to any other argument than to facts within the knowledge of all of us during late years. Without such a fund, and the means it affords the ministers to go from time to time into the money-market, and, according to the occasion, to make large sales and purchases, the price of Stocks would not only be at the mercy of all the artifices of speculation, but might be most mischievously reduced by the effect of public panic, or by sudden occurrences of real or apparent importance, at home or abroad. The possession of this Fund renders the government the greatest proprietor of capital; and, by necessary consequence, gives it, through the commissioners for the redemption of the National Debt, a due and most useful predominance on the Stock Exchange. A Sinking Fund of five millions, and the capital stock equivalent to it, about 170 millions, calculated in three per cents.; — the possession of a stock to this amount renders the government of the country, for all practical purposes, a proprietor of more than one-sixth portion of the whole dividends paid to the national creditor, and of more than a fifth

portion of the capital stock. It is surely unnecessary to argue, that a share to this amount must give ministers a most salutary weight and consideration on the Stock Exchange, and must practically enable the commissioners to rectify any mischievous and fraudulent dealing in the public securities. It is nothing to object to the importance of this latter object, that ministers and the country have little concern with the fluctuations of the money-market, and that it is a matter of buying and selling, and commercial dealing, which may safely be left to the proprietors. This is surely not a just view of the obligations of government. It is equally the interest and duty of every government to prevent extensive frauds, and to arrest at once the progress of a mischief, which, as at the period of Law's scheme in France, and of the South Sea bubble in England, might eventually impair or overthrow half the fortunes in the kingdom.

But if it be necessary that government should possess this Fund in order to prevent all frauds and combinations in the money-market, it is still more expedient to reserve such a surplus in aid of any deficiency in the revenue. Without a surplus, the credit of government would frequently be shaken by events in no degree within its own control. Upon a review of

the public accounts, for a series of years, it will appear that the revenue, from the occasion of unfavourable seasons alone, has fluctuated so much as ten per cent. In 1817, the decline from the former years actually reached this lowest point. In proportion, therefore, to this interval of fluctuation, does it become the duty of government to provide a surplus. Nor would a bare surplus be sufficient. Unless the surplus be considerable in good years, there would be an actual deficiency in unfavourable years. Add to this, that without this manifest sufficiency of the revenue upon all occasions, it would be in vain to expect, upon favourable terms, any extensive accommodation in a future war. No one would willingly lend to a debtor, whom he believes to possess only just sufficient to satisfy the required obligation, and whom any sudden event might deprive of the ability to fulfil his contract. The known possession of a surplus is a kind of collateral security for the debt. There can be no peril whilst the surplus is visible and accessible. But withdraw the surplus, and substitute a bare sufficiency, and the next step is, not to use a more ominous word, embarrassment and distress. Whilst there is a Sinking Fund, or surplus income of five millions, the public books of the country are, as it were,

always open to exhibit the public ability beyond all doubt and suspicion.

As regards the second point, the application of this Fund in reducing, from time to time, the interest of the National Debt till it shall attain the common level of a three per cent. stock, it would be almost sufficient to refer to the memorable measure within the year now ended. By this single operation, the public have seen a saving of nearly a million and a half, annual interest, accomplished by the conversion of the five per cents. into four per cents. This saving was effected by the operation of a reduction of one per cent. upon a capital of 155 millions, such being the amount of the five per cent. stock at the time. It is evident, therefore, as a mere fact of arithmetic, that a second operation of the same kind, and upon the same (or nearly equal) capital, in its new form, when the occasion will admit, and the engagement of the government to the holders of the new stock shall allow, will produce a further saving of another million and a half upon this stock. Again, the capital of the old four per cent. stock amounts to 75,000,000*l*. A similar operation upon this stock, a reduction, for example, to three and a half per cent. in the first instance, and, after a due interval, to three

per cent., would produce, in the first instance, a saving of nearly 350,000*l.*; and in the second case, of nearly 700,000*l.* Here, therefore, within a very short period, would be an annual saving of 2,100,000*l.*; an amount equal almost to the produce of the assessed taxes on windows, and exceeding half of the present amount of the malt-tax,—of course, putting government into the condition of reducing these taxes, or, according to the occasion of the times, of reducing or remitting other taxes to the same amount.

If this head of our subject required any further argument, it might be sufficient to direct the attention of the reader to the actual state of the public stocks, under the effects of this general system. In 1816, the price of the three per cents. was generally at 62. In 1817, the same stock rose to 74. In 1822, at the period at which these observations are made, the price of the same stock is 81. Now, as a hundred pounds share in each produces only the same annual dividend of three per cent., the rise can be attributed to no other cause but to an established confidence in the character and security of government; and of course to an effectual approbation, on the part of the public, of the general system of finance adopted by the Chancellor of the Exchequer. The purchase of a dividend of three pounds annually,

for eighty-one pounds, is at the rate of twenty-seven years' purchase; a rate of purchase, which, at the present moment, exceeds the price of land. The price of land, unquestionably the highest and best of all securities, has seldom, in the best times, exceeded thirty years' purchase. Thirty years' purchase, therefore, may be regarded as the natural price of the highest degree of security. Now, it is the unintermitted effort, and the confident expectation of his Majesty's ministers, that under the present regulations of finance, and more particularly under a faithful adherence to the system of the Sinking Fund, as now established, the price of the three per cents. will not only reach this amount, but will so much exceed it, as proportionately to raise the price of the higher denomination of stock to a point, which will at once render it most advantageous to government to pay them off; and will enable the ministers to reduce the whole of the National Debt to the common level of a three per cent. stock.

Should ministers be enabled to accomplish this object, by the steady concurrence of the parliament and the people, in maintaining the Sinking Fund upon the system now established, it will not be too much to say, that the effects will be far, very far, greater than what can be anticipated by a bare calculation *a priori*.

It is a mistaken notion of the economists of the present day, that the security of the capital lent, or, as in the case of purchase, of the money expended in the acquisition of any article, is the only main circumstance in the contemplation of buyers and lenders. The facility of transfer, and the opportunity of an instant conversion, according to occasions, is a circumstance of nearly equal importance with the security itself. Now, if we follow the consequences of this principle, we shall understand that there is no reason whatever why the price of the public securities should not far exceed the price even of land. In the first circumstance in the contemplation of lenders, or purchasers, the security of the money lent, or of the article bought, nothing indeed can exceed land. The purchaser has possession of the thing itself, and can have nothing better. But in the second circumstance, the convenience of transfer and instant conversion, the National Stocks, under a due condition of public credit, have a manifest superiority over land itself; and therefore, under a high state of public character, and under an intelligent administration of the finances of the country, the price of such stock, in purchase, may very well exceed the price of land. It is not our object to push this argument

to any artificial length; it is sufficient to open it to the mind of the intelligent reader.

When it is considered how much floating capital exists in the country, bearing no interest whatever, the security of deposit, and the facility of instant resumption, being sufficient inducement with the depositors, it is a necessary deduction, that the price of the Public Stocks may very far exceed their present limits.

As to the third use of this Sinking Fund, as affording an accumulation of treasure in any sudden emergency of the State, experience has here likewise established the justice of this observation. Had it not been for the accumulation of the old Sinking Fund, during the war, it would have been impracticable for the present Chancellor of the Exchequer to have acted upon the system of finance now established. It would have been impossible to have remitted the property-tax on the termination of the war. It would have been impossible to have discontinued the ruinous system of raising the supplies of the year by loans. It would have been impossible, in a word, to have reduced the malt, salt, agricultural horse, and leather taxes, and to have abated so much of the expenditure of the year as was required by the particular pressure of the times.

The capital of the Sinking Fund is, in fact, a mass of treasure always at the call of government upon real or distressing emergencies. In this point of view, it puts the minister above the condition of lying at the mercy of the money-market, when any great crisis, such as a sudden foreign war, or other events more easily to be conceived than decorously mentioned, shall require a prompt application of vast resources and consequent expense.

But let us look to the objections which have been made in fact to this fund, which, to state them as briefly and perspicuously as possible, are collected in the pamphlet of Dr. Hamilton, or are immediately deducible from his argument.

The first of these objections is, that we have been borrowing with one hand, and paying with the other; and by the maintenance of this fund have added as much to our debt in the character of borrowers, as we professed to be paying off in the way of redemption.

Secondly, that at least we are only raising so much more taxes than the state requires; the alleged surplus, whether of five or fifteen millions, being, in fact, an excess of taxation not called for by our ordinary expenditure, and to which therefore ought not to be raised.

Thirdly, that there can be no surplus whilst government has such an unfunded debt in the

market. Pay off the many millions of Exchequer Bills; then speak of a surplus.

Fourthly, that this fund has never, in point of fact, reduced any thing of the actual weight and burthen of the National Debt.

As regards the first of these objections, and which is more peculiarly Dr. Hamilton's argument, it is manifest, upon the very face of it, that it applies only to the character of a Sinking Fund during war. In a period of war, when a loan is made for 20 or 30 millions, and 15 or 16 millions only are the general produce of the Sinking Fund, it is evident, upon the very face of the transaction, that we here certainly borrow more by five or ten millions, in the way of loan, than we can pay off by the operation of the Sinking Fund of 15 or 16 millions. If, instead of employing the 15 millions' Sinking Fund as a fund of redemption, we employed it to meet the expenditure of the year, it is manifest that the war loan would be proportionably so much less in amount. It is therefore with some plausibility that the Sinking Fund, as regards its operation in a period of war, is characterised as a system of borrowing with one hand, that we may have a fund for paying off with the other. But in a period of peace, and under present circumstances, when no loans are made, it is manifest that this objection can in no degree

apply. What, in fact, is the character of the present surplus? Is it not so much raised above the actual expenditure and actual wants of the year? Is it not, in every respect, a clear surplus of revenue over expenditure? It is true that the present Sinking Fund of five millions is small when compared with the amount of the Old Sinking Fund, as established by Mr. Pitt. A Sinking Fund of 17 millions would have enabled us to extinguish rapidly the Public Debt, and to have performed great financial operations. But the sacrifice would have been intolerable. The Old Sinking Fund, though nominally greater, was never so effectual as the present; for it must always be borne in mind, that however great the nominal amount of a Sinking Fund, the only part really available is the surplus of income beyond expenditure.

To bring it nearer to the understanding, by comparing it with a transaction of private life, is it not as if a great landed proprietor were to procure from the rents of his estate one-tenth above the amount of his annual expenditure and his annual obligations, and to deposit this surplus tenth in the hands of a careful steward, to accumulate for the diminution of his mortgages, or to be immediately ready for his need in cases of great emergency? Is not this the just character of the Surplus Fund of the

present period? And does the first objection apply in any degree to a fund of this description?

As respects the second objection, it is certainly so much raised in taxes beyond the occasions of the year, and therefore, if considered absolutely, is so much proportionably added to the annual burthens. But the question is, whether its advantages be not worth this cost? In other words, whether it be most politic to remit such a surplus, when it is found to exist, by taking off taxes to the amount, or to retain it as a Sinking Fund? The answer to this question would be contained in the repetition of all the points above urged. As to the necessity of this surplus for maintaining public credit, for meeting occasional deficiencies, and for giving government a due and salutary influence in the money market; these are the arguments for the utility of the fund, and for the consequent importance of retaining it. The argument, on the other hand, is contained in the amount of the actual pressure upon the people by the operation of the taxes, or rather of that portion of the taxes by which this five millions is raised. The answer to the question, and the result of the whole argument, is in the conclusion which must arise from the comparison of the great benefit of the Sinking Fund

on the one hand, and the actual evil of this pressure on the other. Now what, in fact, are the taxes which were imposed in 1819 to raise the greater proportion of this fund? What is that portion of these taxes which now remains? It consists of small additional taxes upon pepper, tobacco, tea, British spirits, &c. Has it not, in fact, been most justly observed, by a political writer, "that in the imposition of four out of five of these new taxes, the Chancellor of the Exchequer made such a selection of the subject-matter upon which they were imposed, that the burthen of them is in practice so insensibly felt, that not one person out of five hundred can enumerate the subjects taxed? Indeed, so considerably, and with such just selection, were these new taxes imposed, that, up to the present period, they are paid by the consumer, and almost by the dealer, without the consciousness of any increase." Nor is it true, in point of fact, that the present surplus fund of 5 millions is composed only, or even in greater part, of new taxes; that is to say, of the taxes imposed in 1819. In the late Sessions of Parliament, one million and a half of these taxes was at once taken off, by which the annual produce of the new taxes in question was reduced to a sum very little exceeding 1,600,000 pounds. Again, if three millions of new taxes were imposed in 1819, for the purpose, at that time, of effecting such

surplus, is it not notorious that nearly four millions have been since repealed? Such is the true state of the question, that the present Sinking Fund is composed only of taxes expressly enacted for the purpose. First, if such were the fact, it would still be prudent to raise a fund of such importance, at a much greater annual cost. Secondly, the allegation is not true; the real state of the question being, that more taxes have been taken off than were imposed in 1819; and that the present Sinking Fund is composed, in part, of a general surplus of taxes, and in part of reductions in the public expenditure. Nor should it be forgotten, upon this view of the question, that the much-applauded Sinking Fund of Mr. Pitt, in 1786, began, not with a surplus, but with the imposition of 800,000*l.* of new taxes; an increase of the public burthen very much exceeding, in its proportion, the amount of taxes imposed for the present Sinking Fund in 1819.

The third objection is, that there can be no surplus whilst Government have so large an unfunded debt; in other words, so many millions of Exchequer Bills in the market—an objection almost as solid as it would be to urge, that Government could have no income whilst it owed the national creditor any thing. Is it not notorious to any one accustomed to financial

inquiries, that the interest upon this debt is already charged in the Ways and Means of the year; and is thus provided for by that general revenue, of which the Sinking Fund in question is a surplus? It is a sophism therefore to say, that the capital of these Exchequer Bills is to be set off against the Sinking Fund. For certain purposes, and as far as respects this point of the question, a portion of this capital is to be considered as part of the funded debt (or rather of debt *to be* funded), to the extinction of which the Sinking Fund applies. The interest of these bills is, indeed, part of the ordinary expenditure of the year, and if this interest amounted to the same sum with the Sinking Fund, it would be a good objection, that we borrowed as much as we professed to save. But it is contrary to all candour and fairness to consider the capital of these bills in this point of view, and more particularly, when so great a portion of this capital consists of merely floating bills, which, being issued only for current occasions, in anticipation of the receipt of taxes, and in aid of public works, are from time to time recalled and liquidated.

The Exchequer Bills in the market are the paper and currency of government at a very low interest, and which are no less a convenience

to the public than to government itself. They serve the purpose of investing capital for a limited time, and, as regards the public, are infinitely more convenient than the stocks for daily transfer, or for deposits for short periods. Their credit with the public may be well measured by their rate in the market, and by the constant premium which they command. To remove these bills too hastily, and to fund them, would be to extinguish so much current and circulating capital, and to increase the distress of the times. The greatest advantage accrued by the loan of Exchequer Bills to the commercial classes in 1817; not one farthing of which was lost to the public; and by the late act, authorising the issue of bills to the extent of 2,000,000*l.*, for public works, equal benefits are likely to accrue. If it be conceded for a moment, as is strongly contended by some of the opponents of ministers, that the greater portion of the distress of agriculture is to be attributed to the diminution of money, it must be admitted, on the other hand, by these gentlemen, that a too hasty recall of Exchequer Bills, and a refusal to issue more, would only aggravate this calamity of the times. In common consistency, these gentlemen, at least, and the agriculturists whose interests they advocate,

cannot agree with the proposition of a certain financial speaker, that the country is suffering under the enormous issue of these bills.

The fourth objection is, that the Sinking Fund has in truth produced no beneficial operation, and has redeemed, in fact, no portion of the National Debt.

As this is a question of fact, it is best answered by the production of a fact; and for this purpose, we refer at once to the account produced by the Commissioners, and published in pursuance of the act of the 53 Geo. III. To state the result of this paper briefly, it may be sufficient to observe, that, on the 5th of July last, the Capital Stock in the hands of the Commissioners was, 455,487,430*l.*; that the interest, or yearly dividend thereupon, amounted to the sum of 13,774,667*l.* Now the total amount of the public funded debt of Great Britain and Ireland, in perpetual redeemable annuities, created by several acts, prior to the 38 Geo. III. (and by that act), and likewise by the 39 Geo. III., amounted to 416,583,447*l.* and the interest, or dividend upon this debt, was 13,512,713*l.* Making a rest, therefore, at the above period, the accounts will yield a balance in the hands of the commissioners of an excess of 38,900,000*l.* capital stock redeemed; together with an excess of annual charge by 261,953*l.* Thus the

state itself is more than ONE THIRD proprietor of the whole national debt of the empire. The capital of the funded debt of the united kingdom was, on the 1st of January last, 766 millions. The amount of dividends paid to the public for this portion of unredeemed debt is 29,609,000*l*. The annual interest altogether paid to the commissioners of the Sinking Fund is, in round figures, 15,800,000*l*. In such proportion, therefore, is the state itself proprietor, as it may be called, of its own debt. Such a stock of actual treasure does it possess; and by such means (whether called a Sinking Fund, a surplus, or by any other term, expressing a vast sum raised for a long succession of years, and not exhausted in current expenditure) is the public credit of the state so established, not only through this vast empire, but through the whole expanse of the commercial world, that the written and printed obligations of the Government of Great Britain are current at a par with the precious metals; and in the exchange of any foreign country command a price very much superior to their own respective public securities. By these means, and these only, is a paper bill of the Government of this country, called an Exchequer Bill, of higher value than a sum of the same denomination in the coin of the country. And by the same means does it happen, that in the competition of lands and funds,

the unquestioned predominance in the market is with the latter. In the language of the law of England, the highest known security is in real property. In the language of the law merchant, and in the current acceptance of the public mercantile market of the world, the highest security is that of the King and Parliament of Great Britain. In a word, the Sinking Fund, when considered in its proper point of view, is less the security of the public creditor, than the estate, the property, the fund in reserve for great perils and worthy occasions, of the government of this vast empire: and, dismissing every party feeling, and speaking and writing as Englishmen only, we should think very meanly of any minister, who, truckling to the base and paltry economical spirit of the day, should consent to disarm the Government of its best defence against a foreign enemy, and its most effectual reliance in the unforeseen difficulties of human affairs.

As the reduction of two millions in the estimates of 1822, the actual accomplishment, in point of fact, of a Sinking Fund of five millions, and the reduction of one hundred and fifty-five millions five per cents. into four, were the first three finance measures in the year ended; the fourth, in order and importance, was the conversion of five millions naval and

military pensions into an annuity of less annual amount, but greater duration ; namely, into an annuity of 2,800,000, for forty-five years.

The reduction of the five per cents. into four per cents. had enabled the ministers to reduce the Malt Tax, and, by this measure, to contribute nearly a million and a half to the immediate relief of agricultural distress. An opinion, however, still remained, that the sufferings of the landed interests required a greater sacrifice of national revenue, and that much of this suffering was to be imputed to excessive taxation. The ministers, for themselves, were decidedly convinced that this latter opinion was in every respect erroneous, but the sufferings of the landed interest were so indisputable, and the opinions imputing this suffering to taxation were so general among the country gentlemen, that the ministers considered it expedient to concede even to a popular error. Under these general feelings, when a further sacrifice of revenue was demanded beyond the malt tax, his Majesty's ministers deemed it their duty to review the entire mass of our national expenditure, and most laboriously to examine whether any further reduction could be effected. This inquiry suggested the measure of converting what is now familiarly called *The Five Millions Dead Charge* into an annuity of less amount, but

longer duration. This measure, like all others of the same character, appears sufficiently simple now that it is generally understood and seen in actual operation, and was received by all parties with unanimous approbation. It was a measure, in fact, equally striking for the importance of its present benefit, as for its simplicity. Nothing of the kind had assuredly occurred to any of the opponents of his Majesty's ministers; for though their talents might possibly be admitted in the imposition of public burthens, the nation has yet to learn the abilities of these gentlemen, in conciliating the security of the public creditor with the relief of the people in a period of particular pressure. The public have yet to learn, that either at the period of their official power, or at any time since, these gentlemen or their younger élevés, who have since fallen into their ranks, have ever suggested any one practical measure for the relief of the people, or have ever designated any one mode, by which this object could be effected, without tearing up the roots of public credit.

It has been before mentioned, that this head of charge did not exceed, in 1792, 650,000*l.*; whilst in 1822, it exceeded five millions. It has also been stated, that the production of this charge in the estimates of the year gave a fallacious colour to the expenditure of govern-

ment. The effect, therefore, of the new measure, in commutation of this charge, was, that it afforded ministers the opportunity of rectifying the public judgment, and of placing this portion of our expenditure upon its proper grounds. It will hereafter be regarded in its proper point of view; as a debt incurred, and not a provision, in ordinary, for the current service of the year; as a portion, properly speaking, of our unfunded debt, contracted during the war, and for the services of the war; and due upon every ground of good faith, and public gratitude, to those who have so well deserved of their country.

The next finance measure of the year was the application of 3,300,000*l.* (thus saved by the reduction of the five per cents. into four per cents., and the commutation of the Dead Charge into fixed annuities), to the remission of annual taxes, and of those particular taxes which, under the peculiar circumstances of the period, were selected by ministers.

As it is not our purpose to investigate measures already explained by the discussions in the House, it may be sufficient to observe, that his Majesty's ministers were controlled, in this selection, by their feeling for the distress of the landed interest. If this feeling had not intervened, it cannot be concealed that their own

choice would have led them to the remission of another description of taxes. Their own experience has taught them the truth of the principle, that the money remitted in the repeal of a direct tax goes entirely to the consumer, and is therefore so much unmodified relief conceded to the public; whilst the amount of an indirect tax, repealed, is absorbed in a very great proportion by the dealers; who, availing themselves of the confusion of the tax with the price, remit very tardily any part of it, and never the whole.

In the discussion of these measures, in both Houses of Parliament, it was the constant language of his Majesty's ministers and their friends, that the sufferings of the landed interest could in no way be imputed to excessive taxation, and of course that they would be relieved in a very small degree by the reduction of the salt, malt, and leather tax. In answer to the observations of Mr. Brougham and other leaders of the opposition, that the tax upon malt had affected the annual consumption, they proved to the House, by the official documents of the Excise, that whilst the consumption of malt for the year ending 1819 was only 22,346,259 bushels, and the consumption for the year 1820 was 24,535,155, the annual consumption for the year 1821 was 28,697,057 bushels; and so far, in point of fact, was the tax upon malt from

affecting the quantity consumed, that it appeared from these records, that less malt had been consumed in those years in which it had been least charged with taxation. With these facts always present to their attention, it necessarily follows, that ministers could not concur in the expectation, that the remission of these taxes would contribute much relief to the agricultural distress. They saw very little reason to anticipate such an increased demand for barley as would operate favourably upon the general stock of corn. They did not, indeed, doubt the justness of the general principle, that consumption is, in an ordinary state of things, always assisted by a reduction of price; and that as the necessary effect of a tax imposed is to raise prices, so the natural result of a tax repealed is to reduce them. But they foresaw that the actual reduction in price would be too immaterial to admit to any extent the application of this principle, and that the tax itself was not so disproportionate to the means of the consumers, as to diminish the demand for an article become almost a necessary of life.

The price of barley has, in fact, increased, but whether this increase is to be imputed to the operation of the reduced tax, or whether to the same state of circumstances under which the consumption of the country is increasing,

is matter of very reasonable doubt. So much is certain; that when the accounts of the monthly produce of malt were last taken, before the repeal of the tax in question, the average of the monthly quantity was at the rate of 30,000,000 bushels of malt for the year just expired. The accounts for the present year are not made up at the time of writing these observations, but there is every reason to believe that the consumption will not exceed this estimate. The necessary inference is, that the removal of the tax has very inconsiderably assisted the demand for barley, and that the actual increase of consumption may more justly be attributed to the general energy of the country, and to the renewed spring of all our national resources. The same observations will apply to the repeal of the leather tax, and salt tax. The latter indeed is likely to have a more extensive operation, and to comprehend the relief of other interests besides those of agriculture. His Majesty's ministers, however, have still to lament, that to repeal a tax, when clamorously demanded, is not the way to appease discontent, and silence complaint.

In the motion of Mr. Brougham on the distressed state of the country at the commencement of the last Sessions, it was not obscurely hinted by that learned gentleman,

that a state of things might arise, requiring or compelling some compromise with the national creditor. "If one measure of reduction would not relieve the pressure upon the landed interest, recourse must be had to another; and from thence to another; and from thence to another, &c. And if all reductions were found insufficient, the country must prepare for other measures, for measures only to be justified by a paramount unreasoning necessity." There were at this time two propositions before the House for affording the required relief to the agricultural interests; one, that the five millions of the Sinking Fund should be applied for the service of the year, or that taxes should be remitted to the amount: the other proposition, or at least strong intimation, was contained in the above speech of Mr. Brougham, by which he so intelligibly asserted, that his vote, and the authority of his name and reputation, might, in all probability, not be wanted, to the support of a motion for an eventual reduction of the dividends. When his Majesty's ministers, adhering to the Sinking Fund, rejected the measures of Mr. Brougham, we find that gentleman voting with the member for York for a sweeping reduction of 20 millions of taxes. But the expectation of the more moderate and deliberating portion of the House never con-

templated the possibility of a greater reduction than to the amount of five millions. The late remission of taxes by his Majesty's ministers, effected by the two means above stated, ascends nearly to four millions; an amount not far short of what the judicious and temperate part of the House of Commons rather hoped than expected might be reduced in the annual expenditure. The chief grounds upon which the opponents of ministers contended for almost indefinite reductions were, that money had so risen in value since the peace, and had been so depreciated during the war, that fifty millions of the existing currency were equivalent in value, and in weight of burthen, to seventy-five millions during the war. This was the argument urged with most confidence and frequency. It is true, that the immediate friends of Mr. Brougham, and particularly those gentlemen of his own party who are reputed to be most conversant in all questions of political economy, corrected the assertion of such an amount of depreciation, and by this correction wholly overthrew the argument upon which he sought such a remission of taxes. The ministers, indeed, found it unnecessary to answer Mr. Brougham, as his intemperate and injudicious assertions were so effectually rectified by one of the leaders of his own party.

But if we admit for a moment, against all common sense, and against the acknowledgment of Mr. Brougham's own party, the existence of such a state of depreciation, the actual amount of the taxes remitted during the war will still exceed this alleged alteration in the value of the currency. During the war, the taxes amounted to about seventy millions annually: since the peace, taking the late remission of taxes into account, they have been reduced little short of one-third of their whole amount; a reduction far exceeding any alleged depreciation in the value of money. Though this statement has been so often made, and so often verified, the negative to it, or what is tantamount to the negative, a train of argument having no other basis than in the assumption of the negative, has been so often, against all common candour, repeated, that it becomes necessary again to fix the attention of the public upon this unquestionable fact. The amount of taxes which have now been reduced, since the conclusion of the war, exceeds twenty millions*.

But before we quit this part of our subject, there is one question, to which (without entering too much into detail) it may be likewise necessary to recall the attention of the reader; namely, to the mode and degree in which taxes can affect the agricultural capital of the country,

* See Appendix to Lord Liverpool's speech.

and, therein, to the real state of the question, how far the distressed state of agriculture (much as it is to be lamented) affects the total mass of our national resources.

In order to determine this question with any exactness, it is necessary to look with some particularity, but with due brevity, upon the character of our taxation generally; what are the main taxes composing our national revenue, and what is the possible operation of that portion of them which attaches upon the land.

The common language in which the argument of the landholder is expressed is, that we (the landed interest) have to pay, in 1823, three times the amount in taxation which existed in 1792, and with diminished means; that this pressure of taxation upon the land is the occasion of agricultural distress, and so greatly aggravates the cost of producing corn as to render hopeless a remunerating price.

It is perfectly true, that the country in 1823 has to pay about three times the amount of taxes which existed in 1792; but it should be borne in mind that the country in *general* has to pay this threefold amount, and the landed interest, or rather the land, a very inconsiderable proportion of it;—a proportion, in the *ratio* only of the number and consumption of landlords and farmers to the number and consump-

tion of the other classes of the community. If the country, moreover, have to pay this increased taxation since the year 1792, it has to pay it from a capital enormously increased. One fact alone establishes the proof of this proposition. In the first place, as to the commerce of the country. The just measure of the circulating mercantile capital of the kingdom is necessarily in the amount of exports and imports. Now the average of three years' exports in 1789 was between twelve and thirteen millions. But the average of three years' exports ending in 1822 is forty millions. The average of imports for three years, ending in 1789, was seventeen millions. The average of imports for three years, ending 1821, is thirty-six millions. The total of mercantile capital circulating in imports and exports was, in 1789, twenty-nine millions. The same total in 1822 is seventy-six millions. As to the capital circulating in the internal trade of the country, it will not admit a doubt that it has increased in the same proportion, as might be established, if necessary, by the returns of the Excise. In the agricultural capital itself, will it be contended that the actual rental of the kingdom, even under the present depression of agriculture, and the consequent reduction of rents, does not exceed, by at least one third, the rental of 1792? and to prove

To hear the unqualified language of the farmers and their advocates, we should be induced to conclude that the whole amount of this multiplication of taxes fell upon the landlord and farmer only; that the landlord and farmer had to pay the whole of the fifty-five millions raised for the payment of the interest of the National Debt, and the public expenditure; and that the sum of the threefold increased taxation, from the year 1792 to the present time, fell upon the land. But is it necessary to observe that almost the whole of our national burthens is raised under six heads of revenue; the Customs, Excise, Stamps, Post-office, Assessed Taxes, and Land Tax; one head only of which, and that the least in amount (the Land Tax) directly affects the landed interest? Is it necessary to remind the landed proprietor that the ten annual millions of the Customs, the six millions of the Stamps, the million and a half of the Post-office, the seven millions and a half of the Assessed Taxes, a total amount of twenty-five millions, can, by no possibility, affect the land-owners in any other way than individually as consumers; and, having this character, can in no degree whatever directly operate in increasing the cost of raising agricultural produce? Is it necessary to add, that, even of this twenty-five millions, the ten millions

of the Customs, the six millions of the Stamps, the million and half of the Post-office, nearly half a million of miscellaneous taxes, and the 200,000*l.* of the Lottery; that is to say, more than eighteen millions out of the twenty-five can affect the farmers in the most inconsiderable degree? From the remaining seven millions and a half, paid under the head of Assessed Taxes, deduct the three-fourths of the amount, which, according to the most usual estimate, appears to be paid by the other classes of the community, and the remaining fourth (1,900,000*l.* out of 7,500,000*l.*) will be the portion of the Assessed Taxes paid by the landlord and farmer, and that only as persons using the subject matter of the tax in question. Thus, under this large portion of the national taxation, (Customs, Stamps, Post-office, Assessed Taxes, Land Taxes, and miscellaneous), making a total of twenty-five millions, the 1,400,000*l.* of the Land Tax, and the 1,900,000*l.* Assessed Taxes, making together a sum of 3,300,000*l.* (about one eighth of the whole) is the portion of the landed interest; the 1,800,000*l.*, moreover, being paid by them as consumers, or users, and in no degree as a direct tax upon the land. The remaining 30,000,000*l.*, which, together with the above sources of revenue, compose the national income, is principally raised by the Excise. But,

how does the comparative contribution of the landed interest stand under this head? The list of articles paying the excise, according to the official enumeration and distribution, comprehends twenty-five heads; and the total produce of the twenty-five, in the year 1822, exceeded 28,000,000*l*. Of these twenty-five articles, the only taxes which, in any degree, can be said peculiarly to affect the land, are four; namely, malt, hops, beer, and British spirits; the total amount of which is about eight millions; all of them indirect taxes, the removal of which could by no possibility transfer to the farmer and landlord one twentieth part of what the government would lose; and which, in every possible view of them, are taxes upon consumption, and not produce. To say all in a word; of the fifty-five millions now raised annually in taxation, about ten millions, or one fifth only, has any possible connexion with the land as to its subject matter; and, in all the articles of that tenth (excepting only the 1,400,000*l*. of the land tax), the agricultural produce concerned is the occasion only, and not the subject matter of the tax; or, in other words, the tax is on the consumption and the consumer.

The sixth and last class of finance measures

for the late year were in aid of the currency, which may be stated, in substance, to be,

First, The New Act for continuing the issue of small notes by country banks, until the year 1833.

Secondly, for empowering the institution of joint stock banks.

Thirdly, the issue of two millions of Exchequer bills for public works.

Fourthly, the throwing into our current circulation the 2,600,000*l.* paid to the dissentient holders of five per cent. stock.

Fifthly, the lowering of the general rate of the interest of money, by procuring the Bank of England to discount at four per cent.

Amongst the popular errors (for such they must certainly be called) which prevailed in the last session of Parliament, the most obstinate, undoubtedly, was, that the low prices in agriculture, and even in manufactures, were to be imputed to the violent reduction in the quantity of currency under the operation of Mr. Peel's bill. Though public opinion has been in a great degree rectified on this subject, so much of error still remains, that it becomes necessary to give this question a brief consideration; more particularly as the argument has now become so well illustrated by actual experience.

The argument of those who assert this great reduction in the currency of the country, and impute it solely to the violent operation of Mr. Peel's bill, may be best and most briefly stated, in the actual terms employed by one of the most intelligent, but most wrong-headed, of our popular writers. That the number of dealings in the kingdom, from year to year, is generally of the same amount; that money is the medium or counter of these dealings; and that, if the same number of dealings be distributed through a diminished number of money pieces, a less portion of these money pieces will fall to the share of any single dealing. For example, if the annual dealings of a country amounted to fifty millions, and the money in circulation to a hundred millions of pieces; is it not manifest that two pieces would here fall to the share of each dealing? But reduce these one hundred million pieces of money to fifty millions of pieces, and is it not equally manifest that one piece, instead of two, would only fall to the share of any single dealing?

This was originally the argument of Locke; but is used by him as applicable to a very different state of things. From Mr. Locke it passed to Hume, and thence to Paine, who both have employed it nearly in the same terms above stated. It will be best understood, how-

ever, by ascending to the far superior authority from which it originated. Mr. Locke's argument, in substance, is, that the dealings and currency of the country should be co-extensive with each other, and should never be forcibly enlarged, or violently contracted. His illustration, indeed, is not made with his usual taste and perspicuity. The currency of a country, he says, should be sufficiently extensive to cover the whole surface of its dealings. In a due relative state of the money and dealings of a country, the quantity of money will exactly comprehend the quantity of dealings. "The blanket should cover all those who seek warmth and shelter beneath it. Reduce the size of this blanket, and all those who lie outermost will become cold and naked, and will be pulling and stretching in order to get their share. Enlarge the blanket, and every one will have more for his share, and will proportionately set less value upon his accommodation. It is the same with the money and currency of the kingdom. Reduce the quantity, and every one will be pulling and stretching for his share in his own dealings, and the consequence will be, a great rise in the value of money. Increase the quantity, and every one will have more than enough, and the value of money will fall in the same proportion."

Such is the original form of the argument in the mouths of those who allege the vast diminution of our currency, and impute to this cause the reduction of prices. But if we admit the principle itself, which is not true without qualification, the argument, as now used, is wrong both in its premises and conclusion. It is indisputably certain that the currency of the country has not been reduced in any thing like the degree asserted by these writers. But, admitting the fact of this reduction, there is no necessary consequence between such reduction and the depression of prices. Suppose, for example, that the number of dealings, and the quantity of money in circulation, had been concurrently reduced; may not the same relation as hitherto still exist between the number of dealings and the number of money pieces? For example, suppose that, when the number of money pieces had been reduced from one hundred millions to fifty millions, the number of dealings had at the same time been reduced from fifty millions to twenty-five millions? Fifty millions of money pieces, distributed through twenty-five millions of dealings, would give the same proportion, namely, two money pieces to each dealing, with one hundred millions of money pieces distributed amongst fifty millions of dealings. Here, therefore, is the

first error of the argument; which totally destroys the whole of its force as applied to present circumstances. The argument assumes two facts; one of them manifestly false, and the other most questionable. The false assumption is, that the number of dealings, that is to say, that the degree of war monopoly, of internal trade, and government expenditure, remains the same now as during the years 1813, 1814, and 1815; and therefore, in the terms of the argument, that the same number of dealings is to be distributed through a greatly reduced currency. The questionable fact is, and most questionable it is, whether the currency have been reduced in any thing like the degree alleged by these writers.

The difference between the argument of Locke, and the argument of those gentlemen who follow the opinions above stated, will appear upon the mere face of their statement. The argument of Mr. Locke is this: If the number of dealings remain the same, and the number of the money pieces (currency) of a country be diminished, the value of money must be proportionably raised; inasmuch as a less number of money pieces has to be distributed amongst the same number of dealings; and, of course, a less portion of money must fall to the share of any single dealing. This

argument is unquestionably true, because it makes the conclusion depend upon the premises; concluding only that the value of money will be raised, if, whilst the quantity of money be reduced, the number of dealings remain the same. But the argument, which we are now trying, is this: *As* the number of dealings remains the same, and *as* the number of money pieces has been diminished, the value of money has been proportionately raised, and, of course, the price of all commodities has been proportionately diminished. This conclusion is unquestionably false, because it proceeds upon false premises; assuming, as it does, that the dealings, that is to say, the general mass of expenditure, remains the same; and making this assumption, moreover, in the face of three undeniable facts. The first, that the annual expenditure of government has been reduced by at least 30 millions, which of course is no longer diffused as the wages of labour, the profits of capital, and the means of employing large bodies of men through the community. The second, that the manifest overstock of every market has effected a general reduction of prices from abundance only, and that this reduction, taking an average through the principal manufactures (to say nothing of agriculture), exceeds certainly one-third. The third, that our

war monopoly, and particularly our employment as a *depot* and general emporium for foreign trade and capital, have ceased with the war, and, consequently, that this portion has been subtracted from our general dealings. In a word, the true state of this part of the question appears briefly to be, that if the quantity of currency has been diminished, it has been so diminished in no greater proportion than may be satisfactorily accounted for by the reduced expenditure of government,—by the withdrawing of that monopoly of general trade which necessarily ceased with the war, and by the actual reduction of prices from the effect of abundance of goods, and not the scarcity of money.

The fallacy of the assertion of these gentlemen is chiefly in this point. Whilst it is notorious that the price of commodities may be reduced from two causes,—the abundance of goods in the market, or a forcible reduction of currency,—they assume that such reduction can be effected by one cause only, and they allege this cause to be the forcible contraction of the quantity of money. Whilst it is manifest to all but themselves, that such a superabundance of goods does *now* actually exist as may obviously account for such a reduction, both in agriculture and manufactures, these gentlemen wilfully

shutting their eyes against this manifest fact, perversely resort to the assumption of a cause, the existence of which is not borne out by any appearances, and which is uniformly denied by all practical men. The proposition of Mr. Western, and of the writers who concur with him, is, in substance, that there is a scarcity of money for the real transactions of life and business, and that corn is cheap, not because corn is plentiful, but because money has risen; that the country banks have reduced their paper, and withdrawn their discounts, not because the farmers have no longer a security to give for accommodation, but because they (the country bankers) have no longer any money to lend; because, in a word, under the operation of Mr. Peel's bill, they may be called upon to pay their paper in gold, whilst gold is not to be procured, even by men of substance, and for real value. Now, is it necessary to give any other answer to such a proposition than by reference to any practical man in the money market of the metropolis? Ask of such a man, whether gold be wanted for the real purposes of life and business; whether it be wanted by the Bank of England; or whether it would be wanted for the country banks, in exchange for due value and security; and the answer would be, that gold never more abounded than at the

present period, and is to be had in any quantity, and at a moment's notice, by all mercantile bodies, and individuals of credit and substance; that there is actually no call for gold in exchange for notes; and that in consequence, (so far at least as regards the present period), there is no thought of reducing paper issues, from the apprehension of experiencing any difficulty of payment in coin.

There appears, indeed, this singular inconsistency in the conduct and language of these gentlemen. Whilst so many of them have made such repeated complaints of the economists, and of the bearing of their principles and doctrines upon the agricultural question, they adopt the most obscure and questionable portion of these principles. If they had not confounded their own plain, but solid understandings, by the adoption of such topics, they would understand, as well as their fathers, that prices depend more upon the markets than upon acts of parliament. They would understand, that scarcity of money in any particular class might arise from two causes; first, because the class in question had little or nothing to give in exchange for money; and, secondly, because the money itself was not in existence. If, with this principle in their minds, they looked round on the actual state of things, they would not

require to be told from which of these causes the present reduced prices in agriculture proceeded.

If these gentlemen had duly considered the actual condition of the corn-market, with reference to demand and supply, one would have thought it impossible that the origin of the low price of their produce could escape their observation. Let them, for a moment, fix their attention upon this summary. In 1819, there arrived in the port of London, for sale, 300,416 quarters of corn. In 1820, the supply advanced to 400,000. In 1821, to 500,000. For 1822, the accounts have not been made up; but judging from the weekly supply, we are warranted in stating the excess, above the last year, to be 50,000 quarters. The supply at the great country markets, more especially in the south and north-eastern districts, has been upon the same progressive scale of increase. Surely this sufficiently shows the low prices to be occasioned by abundance and glut:—Without having recourse to the fallacious arguments of a currency, violently contracted and reduced, this short summary of the markets must sufficiently explain to every candid and practical man, why wheat should average seventy-three shillings per quarter in 1819; sixty-five shillings in 1820; forty-five in 1821; and should be

further reduced to forty shillings in the present year.

But it is not true in fact that the currency of the country has been reduced in any thing like the amount stated. The currency, as composed of paper and gold, is not at the present moment more than four or five per cent. less than at the highest period of the Bank issues. The greatest amount of bank notes circulated at any time was in the month of August, 1817. At that period they reached the enormous sum of 30,920,360*l*. In August in the following year, they were reduced as low as 26,650,610*l*.: and in the month of March, 1819, these issues were further contracted to 24,610,680*l*.

It is needless to recal to the reader, by way of a passing observation, that at the time when the Bank issues were 30,920,360*l*., the country was labouring under the severest distress. The revenue had declined nearly ten per cent., and every branch of our trade and manufactures was in a state of depression and embarrassment. With respect to that part of our currency which consisted of country bank notes, the circulation during the years 1817, 1818, and 1819, varied considerably. In the report made by the House of Lords, in 1819, on the resumption of cash payments, an estimate was made of the issue of country bankers, and as far as any accu-

rate knowledge could be obtained, the result of the inquiry into the state of the issue of country banks stands thus:—For the year 1814, the issue of country bank notes was 22,709,000*l.* and the issue of the Bank of England was 26,901,000*l.* For the year 1815, the country issue was nineteen millions, which, combined with the issues of the Bank of England, produced an aggregate of 45,897,000*l.* For the year 1816, the issue of the country banks was reduced to 15,096,000*l.* making, with the bank issues, an aggregate of 41,670,000*l.* In 1817, the combined issue of these two sources of circulation very little exceeded forty-four millions. In the following year they advanced to 47,727,000*l.* In the year 1819, the accounts of which (as to the country banks) are not so accurate, the joint issues, upon the fairest estimate, cannot be taken higher than forty-five millions and a half. These calculations are founded upon the documents from the Stamp-office, as to which great uncertainty will always prevail. But the result of this estimate will be, that the circulating medium of England, so far as it consists of notes of the Bank of England, and of country bank notes, between 1810 and 1819 (both years inclusive), has varied from about forty-two millions to above forty-eight millions; that it was highest in 1814, and lowest in 1816.

With respect to the amount of circulating medium necessary to carry on the transactions of the country (whatever may be the composition of such circulating medium), it is almost impossible to form any judgment.

The great increase of the dealings of this country in every part of its home trade and agriculture; the rise in its exports and imports, from fifty-one millions, on the average of three years preceding 1797, to eighty millions on the average of the last three years; the increase of the charge of the National Debt from thirteen millions and a half, in 1797, to forty-four millions in 1822; and the amount of taxes advanced from sixteen to fifty-five millions, might be expected to require a much larger increase of circulating medium. It is, however, manifest, that such amount does not necessarily bear any specific proportion to the extent of our foreign and domestic trade, or to the increased demands of the revenue. An active state of commerce, and a well established credit, which invariably occasion a greater rapidity of circulation, will enable the same quantity of circulating medium to carry on a more extensive amount of transactions; and the infinite modifications of credit to which such a state of things gives birth, added to the great improvements in commercial transfer, and the arrangement of banking busi-

ness, must necessarily produce the same results. There must obviously, also, be a great difference in the required amount of a currency consisting of paper only, and a currency consisting partly of paper, and a large proportion of gold. It is to these circumstances (co-operating, possibly, with others) that we may perhaps attribute the sufficiency of the circulating medium actually existing, to perform functions to so much larger an amount than were performed by the circulating medium in 1797, which was not many millions less than at present.

In order to arrive at a due estimate of our present mixed currency, a few observations are here necessary as to the gold coin in circulation before the bank restriction. Taking the amount at five millions below the estimate made by the late Earl of Liverpool (an estimate admitted on all hands to have been excessive), the gold coin in circulation before 1797 would be twenty-five millions*. Add to this, the notes of the Bank of England (ten millions and a half), which was the extent of their issue previous to the year 1797; add, likewise, the country notes, including Scotland, amounting to seven millions; and the result will be, that the aggregate circu-

* Mr. Rose, in a pamphlet published some years since, took a higher estimate; but the error of his calculation is generally admitted.

lation of gold coin, and paper conjointly, before the year 1797, was 42,500,000*l.*; giving a difference between the highest paper circulation of the Bank of England, and also of the country bank notes, of five millions and a half. But taking the mean average of circulation, which we have above stated to have varied between forty-two and forty-eight millions, and the difference will be two millions and a half.

Having thus established, from premises as accurate as can be obtained, the circulation of the country when consisting of gold and paper, before the restriction, and when composed almost wholly of paper, after the restriction, if we look at the state of our currency, as it now exists, we shall find it not very considerably diminished in amount from what it was at the highest period. In this view of the question, our first inquiry must be into the state of our gold coinage, which is intended to fill up the void of our paper issues.

From the year 1817, to the 31st of October in the year now passed, the amount of gold coin, actually coined, and thrown into circulation, is as follows: In the year 1817, there was coined 4,275,337*l.* In 1818, 2,862,373*l.* In 1819, 3,574*l.* in 1820, 949,516*l.* In 1821, 9,520,758*l.* In 1822, 4,796,087*l.*; making a total of nearly 22,500,000*l.* The silver money coined during

the same period (including the year 1816) amounts to little less than seven millions and a half; thus giving to the country, in gold and silver money, the enormous sum of thirty millions; being a coinage, within the short space of five years, of an amount bearing no inconsiderable proportion to the whole of the coinage from the year 1760 (the year of the accession of his late Majesty) to the period of the Bank restriction. To this coinage is to be added a large amount of gold and silver bullion, accumulated in the Mint, beyond the public demand. To which we must likewise add the treasure in the possession of the Bank before the new coinage, and not brought into the Mint for re-coinage; and the guineas coined in the year 1813, not comprehended in the above accounts.

If such be the state of our metallic currency, or at least of its possible means of circulation, let us now take a view of the actual condition of our paper currency as far as it can be ascertained.

Since the Bank of England have paid their notes in gold, their paper issues have fluctuated between sixteen and twenty millions. In February, 1822, the actual issues of the Bank were nineteen millions in paper, and eight millions in

gold*. The directors, though they had reduced their paper issues, had, in fact, increased their issues, as composed of paper and gold, which, at the time of passing Mr. Peel's bill, did not exceed twenty-five millions. It is well known that the amount of the Bank issues is regulated by the demands of trade and commerce, and it is satisfactory to learn that these issues are increasing at the present time. Two circumstances have concurred to produce this increase; first, the public notice issued by the Bank, that, instead of confining their discounts, as heretofore, to bills of two months only, they would hereafter discount bills at three months; and, further, that they would transmit to the different provinces any sum of money not less than 3,000*l.*, free of all expense of transmission. Secondly, the late resolution of the directors to discount at four per cent.

By referring to the account of paper issues by the Bank, as transmitted weekly to the Privy Council, it will be found, that the average for the year now ended exceeds eighteen millions in paper. It is equally certain, though not

* In the debate on the currency in the House of Commons, on the 13th of June last, it was stated by one of the Directors, that the Bank had issued between ten and eleven millions of sovereigns. Since that period, and the reduction of the rate of discount to four per cent, their issues have been greatly increased.

included in the same returns, that their gold issues have fluctuated between eight and nine millions. Thus the average issues of the year just ended, as composed of gold and paper, may be fairly stated at twenty-seven millions; that is to say, an excess of two millions beyond their actual amount at the time when Mr. Peel's bill was passed.

The amount of country bank paper it is more difficult to ascertain. Undoubtedly, it has been very much affected by the low price of agricultural produce. The landlord and farmer, unhappily, have had more occasion to borrow, but less security to offer. But there is no reason to believe that these issues have fallen off more than one-third. In the large manufacturing districts of Yorkshire, Gloucestershire, and Somersetshire, during the last summer and autumn, they have been on the increase. In the agricultural districts, on the contrary, from causes too obvious to detail, they have suffered a considerable diminution. It is very difficult to form a correct estimate of this portion of our currency. The Stamp-office accounts furnish the only clue, and were adopted by the committees of the Lords and Commons, in 1819, as the best and safest guides. The following accounts, therefore, will throw some light upon this portion of our circulation. For our present

purpose (an estimate of comparative issues) they are sufficiently exact.

No. 1.

An Account of the number of Country Bankers' Notes stamped in each year, from the 10th of October, 1816, to the 16th of October, 1818.

Notes not exceeding £1. 1s.

1816	2,181,938
1817	2,953,920
1818	3,875,715
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	9,011,573
Average of the three years } previous to the passing of Mr. Peel's Bill.	3,037,191

No. 2.

An Account of the number of Country Bankers' Notes stamped in each year, from the 10th of October, 1818, to the 10th of October, 1821.

Notes not exceeding £1. 1s.

1819	2,160,293
1820	1,612,614
1821	2,031,287
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	5,804,194
Average of the three years } after the passing of Mr. Peel's Bill.	1,934,731

It is not necessary to follow these estimates through the several classes of notes issued by country bankers for sums exceeding one pound

one! The accounts are already upon the table of the House of Commons; and the comparative issue through all descriptions of their paper will be found pretty nearly to correspond; that is to say, comparing and averaging the several denominations of their paper, they have experienced a diminution of about one-third of their ordinary circulation previous to the passing of Mr. Peel's bill.

In the report of the Lords' Committee, in 1819, the following estimate is made of the issues of country banks (comprehending the aggregate value of their notes), founded upon the Stamp-office accounts above given:

1816	. . .	£15,096,000
1817	. . .	15,898,000
1818	. . .	20,507,000
		<hr/>
		51,501,000
		<hr/>
Average for the three		
years before Mr.		
Peel's Bill.		17,167,000

If we adopt the same mode of computation, but without fatiguing the reader with a detail of figures, the issue of the country banks, for the three years subsequent to Mr. Peel's Bill, will appear, upon an average, to be about one-third less than the amount stated by the Lords' Committee. In other words, the average issue of the country banks, for the three years ending 10th October, 1821, calculated upon the basis

of the Stamp-office accounts, and adopting the same mode of estimate as the Lords' Committee, will be 11,444,667*l*. To this, of course, must be added some small portion of gold coin circulated with their paper.

To the above issues we must add the circulation in the flourishing cotton districts of Lancashire and Cheshire, of Liverpool, Manchester, and the great towns in the north-west of England, where the circulation is estimated at between three and four millions, kept in a constant state of interchange and motion, and where the wages of labour, and sums under five pounds, are invariably paid in gold and silver. If we likewise add to this the average circulation of unstamped small notes issued by the three chartered banks of Scotland, which are not included in the Stamp-office accounts, and which appear, by papers returned to Parliament, to have undergone little change, the result will present an average of forty-three millions, as the present actual state of our existing currency; which will allow for ten millions of gold coin existing either in private hoards, or in the coffers of the bank, being called in, in exchange for their small notes.

Now, if we compare this with the highest state of our circulation in the year 1814, which was then about forty-eight millions, it will be found

that the reduction which has actually taken place is about ten per cent. ; but if compared with the mean average, above stated to be forty-five millions, it will be found that the reduction very little exceeds four per cent.

Upon these principles, his Majesty's ministers were decidedly of opinion, that the general decline of prices was to be imputed, in a very inconsiderable degree, to the diminution of the quantity of the currency. They were still more firmly persuaded, that if the currency were in fact reduced in a small proportion, by the cessation of some minor branches of our commerce, (namely, the supply of colonial produce to the continent during the war), and was certainly still further diminished by the withdrawing of the government expenditure,—that such diminution was, in the smallest possible degree, to be imputed to the operation of Mr. Peel's bill. When they looked to the state of facts, they saw enough to account for the former high prices, and the present depreciation. During the period of high prices, they saw the two ordinary causes of such prices in manifest operation, and to a great extent ; a vast amount of public expenditure, very great in each year, and still further aggravated in every successive year by the addition of a new mass to the former : and, secondly, an immense

demand, a large waste, and in many articles of supply, the possession of a monopoly and a closed market. In the twenty-three years of the war, they saw that eight hundred millions of money, and all of this an extraordinary expenditure, had been poured into the general market of the community; and had of course nursed and supplied with means a vast stock of consumers; enabling so many more to consume, and all to consume more largely. They saw that, after the annihilation of the French, Spanish, and Dutch navies, and the transfer of Dutch capital and trade to England, arising upon the revolution in Holland, we possessed the exclusive supply of the continent of Europe with colonial produce; and, in a great degree, the exclusive possession of many other branches of commerce, hitherto peculiarly belonging to the French, Spanish, and Dutch emigrant firms. In these circumstances of British trade, his Majesty's ministers, as practical men, saw quite enough to account for high prices during war. And as the operation of these causes sufficiently explains the high prices of the war, their cessation in like manner is equally satisfactory as to their depreciation in peace. In agriculture, manufactures, in every branch of industry and the employment of capital, the basis of supply had been enlarged so as to become co-extensive

with the annual demand. This enlarged basis remained when the demand had become contracted. The necessary consequence was an overstocked market, and a general reduction of prices, from the effect of abundance only. Next followed, in order, the reduction of the war expenditure to a peace establishment, and a consequent withdrawing of those large means of purchase, which were hitherto diffused through every class of the community.

A third, and an equally efficient cause, was, perhaps, in the funding, or the fixing in dead capital, of that large portion of circulating money, which the capitalists during the war had been in the habit of lending to government, and which government had distributed amongst contractors, ship-builders, naval yards, and manufacturers of arms and clothing. In all these causes, and others equally obvious, but unnecessary to mention, his Majesty's ministers saw sufficient to explain both the high prices of war, and the reduced prices of peace, without any reference to the operation of Mr. Peel's bill.

But whatever might be the operation of Mr. Peel's bill, his Majesty's ministers could not avoid seeing, that the currency of the kingdom, and particularly in the provinces, under the long period of the suspension of cash payments, had assumed a new character. As a currency of

small denomination had become necessary, and the supply of it had been in some degree intercepted by the comparative disuse of gold coin, the country banks had very early found it requisite to compose the greater part of their issues of one pound, or guinea notes. Perhaps four parts out of five of the total capital of country banks was issued in notes of this denomination. A law to call in these notes, and to prohibit their future issue, would have been equivalent to the prohibition of such banks, and would for a long interval have most materially affected the circulation of some of the manufacturing counties.

It was with this object that ministers resorted to the first measure in aid of the currency; the new act for continuing the issue of small notes for ten years. It was not the object of this act, as absurdly stated by popular writers, to administer an indirect counteraction to the effect of Mr. Peel's bill. Ministers did not act with this inconsistency of indirectly counteracting by one act of parliament, what they directly upheld by another. One object was to relieve a particular class of men from a peculiar hardship arising from the long period of the cash-suspension. The other object of the measure was to aid the circulation, which unquestionably would have been checked, if it had been com-

pulsory upon country bankers, as under the act of parliament at that time existing, to provide for the payment of all their small notes within two years. So little, indeed, was it the purpose of ministers to intermeddle with the effect of Mr. Peel's bill, that though it was proposed to add to this measure that the country bankers should not be required to pay their notes in coin, and though ministers had at first yielded to this modification, they immediately withdrew it, as soon as they saw that such a concession was distorted into a charge of their intending to intermeddle with cash payments. Upon this subject his Majesty's ministers were unanimously of opinion, that the public faith, as well as the public good, required the resumption of cash payments; and that the paper currency of the kingdom would never be fixed upon a safe and solid basis, until this natural control against excessive issues should be fully and unequivocally restored.

The next measure in aid of the same purpose was the institution of joint stock banks. The object of this measure was two-fold; first, to aid the circulation; secondly, to provide gradually for its better security. In the present state of our knowledge, it can no longer admit a discussion that paper money is absolutely necessary to maintain the commerce of the

country. It is, therefore, a political object to encourage and maintain it. But from the very nature of such money, and from the possible remoteness of those who receive it from those who issue it, it is necessarily attended with one peculiar evil; that it is often issued upon fictitious capital, and is not represented by a corresponding value in the property of the banker. Hence the great facility of frauds to a large amount, and a wide extent of mischief and diminution of public confidence through large classes. Under such circumstances, if it be the duty of government to encourage paper money upon the consideration of its utility to trade and commerce, it is equally its duty to oppose some check to the peculiar facility which it affords to large and mischievous frauds. Now, there appear to be but two practical modes for applying this check: The first is, by requiring some deposit or security of stock or land, which might, to a certain degree at least, indemnify the public. The second, by gradually instituting or encouraging such societies and companies, as approach nearer to the character of our own chartered Bank. Ministers have often attempted to effect this purpose in the former mode, but have hitherto found insuperable obstacles. Why interfere, it has been demanded, with one branch of trade

more than another? Why not leave the public to their own prudence and precaution? Why intercept the very means of our profits, by requiring the deposit of that capital, upon the active employment of which we alone make it? Though these questions admit of an easy answer, the numerous individuals concerned are more easily silenced than satisfied. Hence, under the failure of the first mode, his Majesty's ministers have been induced to resort to the second. Such was the principle of this measure. The third proceeding in aid of the same general purpose was the recommendation of ministers to the Bank to reduce its rate of discount. It is unnecessary to say much in explanation of this subject. When the Bank required of government the payment of the ten millions of debt preparatory to the resumption of cash payments, the directors accompanied this demand with a kind of promise and engagement, that if the currency of the country should be in any degree affected by that measure, the Bank would assist it by discounting for the public at a lower rate of interest. In the beginning of the late session of parliament, his Majesty's ministers deemed that the state of the money market, and the notorious abundance of bullion, rendered it imperative upon the Bank to justify this expecta-

tion. They did not hesitate to express this opinion, and the Bank directors at length acted upon it. All these measures originated from the same principle. The ministers did not indeed believe that the currency of the country had been reduced in the degree asserted; they did not believe that the portion of reduction, which had actually occurred, was to be imputed to Mr. Peel's bill. But they do not require to be informed, that a brisk and active circulation is necessary to the well being and life of trade and industry; and under this conviction, they have never remitted their efforts to maintain and augment our general currency. Nor is there any inconsistency between this class of measures and the object of Mr. Peel's bill. The object of Mr. Peel's bill is not to reduce the currency, but to give it security, and to establish it on a firm basis. The object of all the above measures was to augment the currency, but always with a reference to cash payments. The small notes, the joint stock banks, and the enlarged discounts, being still left subject to all the enactments of Mr. Peel's bill. So false and uncandid is the assertion, that ministers are acting indirectly and unjustly with the public, and are undoing, by one set of measures, what they had previously established by another. They assist and encourage the increase of the currency, because such

increase invigorates trade and industry. They passed Mr. Peel's Bill, and they abide by it, because, whatever be the amount of the currency, it was necessary to restore it to its original basis, and to the best and only security against a dangerous excess of issue,—convertibility into bullion.

The fourth measure for the accomplishment of the same object is the commission for lending two millions of Exchequer Bills for public works. It is unnecessary to go into any detail upon this subject. Its utility, indeed necessity, is universally acknowledged. It is notorious to every observer, that the reduction of the public expenditure has thrown vast bodies of labouring men out of employment, and that agriculture and manufactures, in their actual condition, are unable to receive and absorb such an augmentation. The aid and encouragement of public works is the only obvious mode of relief within the power of government. It is in the power of the government to lend, where it cannot give; and to lend upon a less interest than can be taken by private individuals; because, being able to borrow at less, by means of its own superior credit, it can lend at the same without loss. This is the general principle of government loans. They can be made at less interest, in larger sums, and with longer

intervals for the repayment. Such are the circumstances which constitute their use to capitalists.

As to the mode of loan and the effect of it, it is scarcely necessary to add, that a loan by Exchequer Bills is, in every respect, equivalent to a circulation of their amount in the actual currency of the country. Such bills are immediately convertible into money by sale in the market; and the actual price which they bear, according to their denomination, proves the facility with which this conversion may be made. Such bills, in fact, whether for 500*l.* or 5000*l.*, or of whatever amount, are but the promissory notes of government; current in every place, and exchangeable in the instant in every banking house. An issue, therefore, to the amount of two millions, is, in fact, two millions added to the floating currency of the country; the bills being bought, and discounted by capitalists, and the amount employed as floating capital by the principals concerned in public works. The issue in question, therefore, manifestly accomplishes two objects; that of employing large bodies of unoccupied labourers, and of aiding the circulating capital of the country.

The fifth measure, which, in point of fact, has also concurred to assist the circulation of the country, was the payment of the dissident proprietors of the five per cent. stock.

It will not admit a doubt, that these proprietors would have preferred another mode of payment, and that many of them withheld their consent under an expectation of some offer of this nature. But ministers were resolved to execute their first proffer to the letter, and the dissentients have been accordingly paid off by an advance made by the Bank.

Such have been the finance measures for the year now ended; and such their objects. The great purpose of ministers in all of them was, to afford the country the required relief by the remission of taxes, without impairing the public credit by diminishing the Sinking Fund; and, as to the measures in aid of the currency, to maintain, and, if possible, to augment, the circulating capital of the country, without counteracting the operation of Mr. Peel's Bill. So far as is consistent with the operation of this bill, namely, the resumption of cash payments, it has been the uniform desire, and the daily effort of ministers, to augment the currency; being as well persuaded as their opponents, that the real wealth of a kingdom is not in its treasure, but in its circulation,—is not in its dead funds, but in its active, moving, and diffusive capital. But at all times, and never more than at the present, they are fixed and immovable in their opinion, that the return to

cash payments is necessary to the solidity both of public and private wealth, and that this resumption is now the first and main object. As they never acknowledged the depreciation of the money of the kingdom (to the extent asserted) during the war, they equally deny the present corresponding proposition, that since the peace, and the operation of Mr. Peel's bill, there has occurred a proportionate rise of thirty or forty per cent. in the value of money. They can nowhere see any proofs of this proposition, but think they can recognise, through every branch of trade and industry, direct proofs of the contrary. If money be compared with commodities, the same sum will now unquestionably command a greater portion than during the war. But as this effect may indifferently follow from two causes, the cheapness of goods, or the dearness of money, the mere fact itself is conclusive neither way. It either leaves the argument in every respect where it was, or rather transfers the inquirer to the next point in the inquiry; that is, whether this cheapness of goods must necessarily be referred to the dearness of money, or may not be more naturally explained by the obvious superabundance of every commodity in every market. Ministers are decidedly of the latter opinion, and they are confirmed in this conviction, by finding that

all practical men entertain the same sentiments. They are further confirmed in this persuasion, and more particularly as regards agricultural produce, by seeing the same effect, in operation, in every kingdom in Europe ; and that, in every country, there exists the same cause, excessive supply, to account for the same effect. They do not doubt that some reduction has occurred in the quantity of circulating money, but they think that such reduction is sufficiently explained by the cessation of the war expenditure ; and as the dealings of the kingdom, and the money of the kingdom, have been concurrently reduced, they see no necessary consequence why there should be any increase in the value of money, upon the ground of its quantity having been thus rendered insufficient. At the same time, knowing and feeling the value of a plentiful circulation of money, whilst such money is fixed upon a proper basis, they have never been wanting in the effort to encourage and maintain the circulation, and to lend the government credit towards the employment of labour, and in the advance of capital for all reasonable speculations of a public character. Having now concluded the first part of our subject, a review of the financial measures of the year, and of the system upon which they were adopted, we proceed to the examination of

what remains upon this branch of our inquiry, namely, a review of the integrity of all our national resources, and of their actual condition at the present period, and of the expectation which they justify for the future.

In considering the actual condition of the resources of the country, the most obvious order appears to be, to take the funds of production. The heads of these funds are the commerce, navigation, manufactures, the internal trade, and (so far as respects the interest of the revenue, and as affording proof that the general means of consuming are unimpaired) the national consumption. A very brief and general view of our national resources, in these their main channels, will afford the most satisfactory answer to the inquiry under consideration.

NATIONAL RESOURCES.

At the head of our national resources it is usual to place our foreign trade and commerce. When we carry our attention to the general mass of imports and exports, we see that they admit of a two-fold division. They may be conveniently distributed either according to the importance of the articles, or according to the order of the countries. If we follow the first method, our imports may be stated to consist of three main classes ; first, the raw materials of our manufactures : second, the materials of our foreign trade : and third, imported articles for our daily consumption. If we follow the order of countries ; the main heads of our commerce will be, our trade with Russia and the north of Europe ; with Germany, including Prussia and Holland ; with France ; with Spain ; with Portugal, including the Brazils ; with the East Indies, and China ; and places eastward of the Cape of Good Hope ; with the United States ; and lastly, with the British West Indies and North American colonies. Whichever of these methods we shall adopt, the general result will be found to be the same. It will appear beyond

all question, that the general and particular commerce of the country has very greatly augmented, and is in that condition of monthly and annual increase which promises highly for the national prosperity. The increase of commerce is necessarily the increase of national wealth, and is attended with that energy and spirit of circulation which administers funds to labour, and to productive industry of all classes. They know but little of the true nature, and of the necessary effects of trade and commerce, who consider their condition to be matters of indifference to all but merchants. It is only by an active commerce that the circulation of money can be maintained and augmented, and such an extended demand for agricultural produce created as must necessarily raise its price. It is in vain to possess a large and increasing population, unless such population be supplied with the means of purchase. But the mass of the people can only be so supplied by an augmented demand for their labour, under a flourishing state of commerce. The prosperous condition of commerce is, therefore, of equal importance to the landed interest as to the mercantile class; and constitutes, in fact, the best hopes of farmers and landlords, under the actual depreciation of their produce. The annual increase of our population would

soon consume the annual produce of the soil, if all could be plentifully fed. But it is only through an active commerce, that our mass of labourers, now yearly increasing with our population, can be supplied with the means of consuming. The more commerce, the more call for labour; the larger employment of labourers, the more demand upon the market for food, and that kind of demand which alone raises the market; namely, the demand of those who can pay for what they require. Without such means of payment, it is not an inconsistent circumstance, and is in fact verified in a neighbouring country, that there may exist at once too many mouths, and too much food; an excess of population, and an excess of produce. The population may be excessive as regards the demand for labour, and the produce may be excessive as respects the means of the purchasers. Of so much consequence is the condition of our trade and commerce to all classes of society, and to no class more especially than to landlords and farmers.

Another observation before we proceed to the examination in detail of our actual commercial condition. Whilst some writers affect to undervalue our commerce, and to represent it as totally insignificant in comparison with our agriculture, others appear to fall into a contrary

error, and whilst they justly regard our commerce to be the support of our home market, they impute all the distress of the times to the decline of our foreign trade. According to these persons, our distress arises in great part from the diminution of our commerce by the loss of our war monopoly, and the resumption by foreign nations of those branches of trade and manufacture, which, during a period of war, and the hostile occupation of their soil, passed into the possession of this country.

Let us briefly examine the justice of this complaint. This is a question of figures, and may therefore be very simply exhibited.

The statement, as collected from the reports printed by order of parliament, is as follows:

Total exports from Great Britain, computed according to the official standard of the Custom House.

Average of the nine years of the first war, namely, from the beginning of 1793 to 1812 } £30,760,000

Average of the second ten years from 1803 to 1812, both inclusive; omitting 1813, the records of which were destroyed by fire, and considering 1802 as a year of peace } £42,145,000

Now, if we compare these returns of the state of our exports, during the war, with the seven years of peace, of which the returns have been

made to parliament, we shall find a considerable increase since 1814.

Average of the total Exports from Great Britain, computed officially, for seven years, 1815 to 1822 } £53,922,000

In both points of view, therefore, our foreign commerce is found to have been no less prosperous in peace than in war. It cannot be disputed, indeed, that, in peace, we have lost some branches of trade which we possessed in war; the emporium, for example, and deposit trade for foreign colonial produce. Doubtless many parts of Germany and Russia now supply themselves with raw and manufactured articles, which, during the period of hostility, they took almost wholly from Great Britain. This is true, and cannot be questioned. But it is equally indisputable, that our general trade has received such an augmentation, as very far to exceed any deficit thus occasioned; and, according to the accounts above stated from the official reports, to render the total amount of our commerce in peace greater by nearly one fourth than our commerce during the war.

To proceed, however, to our more immediate subject. Our principal imports consist necessarily of the raw materials of our manufactures, — flax, hemp, wool, raw and thrown silk, and cotton. Now, through all these imports, the

year 1822 (just closed) exhibits a most large increase. In the year ending January 1821, the official value of raw flax, the material of our linen manufacture, was 763,478*l*. In the year ending January 1822, the value of the same exceeded 1,013,147*l*. In the accounts which will be made up to the 5th of January 1823, it will, according to all appearance, reach the sum of 1,250,000*l*.

In raw silk, the amount of the import in 1820 was, in official value, 621,384*l*. In the year ending January 1822, the value of the same article was 935,000*l*. In the year ending January 1823, it will exceed 1,000,000*l*. In thrown silk, the official value in 1820 was 345,175*l*. In 1821, it advanced to 398,547*l*. In 1822, the official value of the same was 406,807*l*.

In cotton wool, the value of our import for the year 1821 reached nearly to 5,000,000*l*. In January 1822, there was a slight decline from this sum, owing to the excessive import of the preceding year. But in the year ending January 1823, the official amount of the same import will probably exceed 5,000,000*l*. In sheep's wool, the finer kinds of which are so extensively used in our woollen manufactures, the value of the import for 1821 was 375,494*l*. In 1822, it rose to 671,754*l*. When the accounts for January 1823 shall be made up, we do not hesitate to pro-

nounce, that a very considerable increase, even upon the amount of the last year, will be found to have taken place. The importations from Saxony and Spain into the ports of London and Bristol, during the late summer and autumn, have been unusually large, and the activity in every branch of our woollen manufactures has been without a parallel.

In colonial imports, the accounts are equally promising. In 1821, the official value of our import of sugar was 5,552,768*l*. For 1822, the official value of the same was 5,738,737*l*. In 1821 the official value of our rum imported was 617,245*l*. In 1822, the official value of the same was 620,481*l*. In 1820, the official value of tea was 2,375,000*l*. In 1821, it rose to 3,014,000*l*. In 1822, its official value was 3,073,110*l*.

Such is the general state of our imports. The condition of our exports will be found equally promising. As the principal articles of our imports consist in the raw materials of our manufactures, so our principal exports are composed of those raw materials worked up, or, in other words, of our manufactures. Our great staple manufactures are, cotton (composed of cotton manufactured goods, and cotton twist and yarn), woollen, linen, silk, hardware and cutlery; iron and steel, and our brass and

copper manufactures. To which may be added our glass and earthenware, and British refined sugar. All these branches, without exception, exhibit a most promising condition. In 1820, the value of our cotton manufactures exported was, in round figures, 16,600,000*l*. In 1821, the value of the same was 20,500,000*l*. In 1822, their official value is 21,639,000*l*. an increase of 5,000,000*l*. above their amount in 1816, and of one million above their amount for the preceding year. Upon this subject two points should always be borne in mind ; first, that the value of our cotton exports exceeds one half of the total amount of our exports of British manufactures ; the second, that the average value of our cotton exports, during the war, never advanced beyond 18,000,000*l*. Their present estimate, therefore, exceeds, by nearly one fourth, their value during the period of hostilities. So much for the truth of the assertion that our general commerce has suffered by the peace.

The value of our woollen manufactures exported is equally increased. In 1821, the official value of our woollen manufactures exported was 4,300,000*l*. In 1822, the value of the same export was raised to 5,500,000*l*. ; an increase of nearly 1,200,000*l*. or of one fourth in the whole quantity. In 1820, the official value of our linen manufactures exported was 1,547,000*l*.

In 1821, the official value of the same was 1,935,000%. In 1822, the official value of the same was raised to 2,300,000%. In 1821, the value of our silk exports was 118,000%. In 1822, the value of the same was 136,000%. Our iron and steel exports exhibit an appearance equally favorable. In 1820, their amount was 960,000%. In 1821, it increased to 1,025,000%. In 1822, it rose to 1,059,000%. Our glass and earthenware, our brass and copper manufactures, and many minor articles, exhibit the same degree of increase above preceding years. In 1820, the total official value of British manufactures exported was 32,923,000%. In 1821, the total was 37,818,000%. In 1822, the amount was 40,194,000%. In one further article (not to enter into a tedious detail), refined sugar, the value of our export in 1820 was 1,400,000%; in 1821, 1,800,000%; and in 1822, 1,700,000%. So much as to the general state of our exports.

If we follow the order of countries, the actual condition of our commerce will lead us to two important conclusions. The first, that the demand for English manufactures is every where increasing; and, secondly, that this demand is founded in circumstances which defy the competition of foreign manufacturers.

In 1820, the official value of Russian imports into Great Britain was 2,483,000%. In 1821,

the official value of the same was 2,500,000*l*.* In 1820, the value of British manufactures exported to Russia was 1,600,000*l*. In 1821, the value of the same was 2,500,000*l*. In 1820, the value of our imports from the United States was 2,600,000*l*. In 1821, the value of the same imports was 3,600,000*l*. In 1821, the value of our exports to the United States was 3,800,000*l*. In the year just ended, the value of the same exports, according to the American accounts, will very considerably exceed 5,000,000*l*.

In the official American accounts published at Washington, in the autumn of the year 1822, the total value of American imports is stated to be 62,585,724 dollars, of which nearly 30,000,000 are imported from Great Britain and her colonies. Upwards of twenty-five millions are stated to be imported from Great Britain and Scotland, including Gibraltar; whilst the total of American imports from France, and all her

* Upon this branch of our inquiry we have taken the year 1821, and not the year 1822. Our trade, indeed, was greater, throughout, in the latter year than in the former: but the accounts for the year 1821, as respects the present question, have been laid upon the table of the House of Commons. All question, therefore, as to *their* accuracy is precluded, which might not be the case, if, in order to show a greater increase of trade, we should publish the accounts for the year 1822; which have not yet been officially laid before the House in the form and distribution here stated.

colonies and dependencies, amounts only to 5,900,581 dollars. In 1820, the value of our imports from Germany, including in that description Prussia, Holland, Flanders, and Germany (politically so called), was 1,951,753*l*. In 1821, the official value of the same exceeded 2,015,000*l*. In 1820, the official value of our exports to Germany was 6,957,490*l*. In 1821, the value of the same exports was 9,144,563*l*. being an increase in the export of British manufactures of more than 2,000,000*l*. In 1820, our imports from the East Indies and China were in official value 7,537,000*l*. In 1821, the official value of the same was 7,562,000*l*. In 1820, the official value of our manufactures exported to the East Indies and China was 1,998,000*l*. In 1821, the official value of the same was 2,978,000*l*. In 1820, our imports from the Brazils amounted to 952,000*l*. In 1821, to 1,294,000*l*. In 1820, the exports of British manufactures to the Brazils was 1,864,000*l*. In 1821, the value of the same exports was 2,232,000*l*.

It would be a tedious enumeration to carry this comparison through the several kingdoms of Europe and Asia to which we trade; suffice it to say, that our commerce with all of them exhibits the same condition of increase, and justifies a solid expectation, that the augmented degree of our exports

and manufactures will gradually afford a remedy to the distress of the landed interest. We must not, however, omit the prosperous condition of our trade with the Spanish and other colonies (not including the Brazils) on the continent of America. In 1820, the export of British manufactures to these colonies was of the value of 408,745*l.* only. In 1821, it more than doubled that amount, being 885,986*l.* When the accounts shall be made up for the year ending January 5, 1823, a very considerable increase will be found in the latter amount.

Our Navigation, which is the just measure of our commerce, and which necessarily follows its increase or diminution, is in the same state of national prosperity; and if the demands of the transport service in war enlarged the supply to an extent beyond the ordinary market of peace, our commerce, now swelling beyond the average of the war, is gradually not only taking up the excess, but is encouraging an annual increase in vessels built.

The basis of our navigation necessarily partook, during war, of the character of the war itself; and as that war was the most various in which the country was ever engaged, and comprehended operations over the largest extent of sea and land, the basis of our commercial

marine was proportionably enlarged. The supply of our armies in Spain and Portugal, of our garrisons in all the West India islands, of our fleet in the Mediterranean and Atlantic seas, and latterly, of a large naval and military force in our British American possessions, necessarily extended the basis of the transport service, and encouraged a description of ship building which was peculiarly adapted for that employment. Hence an unquestionably great demand for tonnage during the war, and hence a description of ship building which was required only for the purposes of war, and mainly adapted for such service. But in despite even of these circumstances, and the stoppage of the importation of foreign corn (the trade in which, previous to the year 1819, kept many of our smaller vessels in constant employment), the average tonnage of peace still exceeds the tonnage during the war. Of vessels annually built, the average of the last three years of the war was seven hundred and sixty vessels. The average of the years 1820, 1821, and 1822 is nearly nine hundred. Of the total tonnage of vessels registered, the average, during the most flourishing period of the war, was 2,400,000 tons; the average of 1819, 1820, and 1821 approaches to 2,600,000 tons. The average outward tonnage of vessels was during the war 1,700,000

tons; the same average for 1820, 1821, and 1822 is 2,200,000 tons. The average of inward tonnage was during the war about 1,800,000; the same average during the years 1820, 1821, and 1822 exceeds 2,300,000 tons. When so many channels of foreign supply, and, more particularly, when the large demand of the Transport Board by the termination of hostilities and of foreign corn importation by the late acts, have been cut off; when so many sources of demand are closed upon our shipping, is it not a subject of very reasonable surprise that British tonnage has still occupied so large an amount? Is it not a proof of the soundness of all our resources, and of the energy of British commerce and navigation, that the demand has frequently grown up with the supply, as the supply follows the demand; and that the commerce of peace has not only filled up its own channels, but has overflowed so as to occupy and employ even the peculiar means of war? Even in the port of London, the trade of which has been represented as peculiarly depressed, the average amount of vessels, inwards and outwards, entering and departing from that port, very far exceeds the same average during the war. During the years 1813, 1814, and 1815, the vessels entered inwards were in number about 15,450, whilst the vessels outwards averaged

7,350: during the years of the peace, the average of vessels inwards has much exceeded 16,000, and the average of vessels outwards has reached the extraordinary number of 8,500. No better evidence can be given of the increasing prosperity and trade of the city of London (and of the port of London) than what was published last year by the committee of foreign trade and commerce.

If such be the state of our commerce and navigation, of our tonnage, and our exports and imports, the internal trade of the country exhibits an aspect still more satisfactory. The principal subject matter of internal trade is necessarily in our five staple manufactures, woollen, cotton, linen, silk, hardware, and cutlery in all its branches. The increase in the export of all these articles is the best criterion of the prosperity of our internal trade. If an appeal be made to any one conversant with the manufacturing districts, whether there be not an astonishing activity and improvement pervading every branch of our manufactures, the answer from every mouth will be, that our manufactures of all kinds have never been in a more flourishing state; that if the rate of profits, and, in some degree, of wages, has diminished, the condition of the capitalist and of his workmen has equally become improved by a more

steady and regular demand. Under the effect of a reduced price, both the domestic and foreign consumption has been greatly augmented. The community is more abundantly supplied with every article of necessity, convenience, and elegance. The capitalist obtains a regular and certain profit; small upon single articles, but fully equal, as regards the returns of his whole capital, to the general average of profit amongst fair traders. Meanwhile the labouring class procures, if not the monopoly price of wages, that just and reasonable rate which belongs to a branch of industry gradually, but certainly, rising. Hence not only do we see ease, comfort, and content amongst our manufacturing population, but in some manufactures, and particularly in silk, we may recognise that spirit of enterprise and excited adventure, the tendency of which will shortly be to give us a predominance in that very branch of commerce which has hitherto been the exclusive property of the south of Europe. In woollens, the report from those districts where this manufacture is principally carried on is founded upon the most certain documents; by which it appears, that the quantity of cloth manufactured during the last year exceeds the quantity of any preceding year. During the quarter, which closed in October

last, particularly in the district of the West Riding of Yorkshire, the number of yards manufactured exceeded whatever has been hitherto known within the memory of man.

It is, perhaps, no unreasonable argument, in support of the superiority of our woollen manufactures over every foreign competitor, to appeal to a neutral and indifferent customer; to the consumption of a market where there is assuredly no prejudice in favour of Great Britain, and which is open upon equal terms of competition to every dealer. It has often been asserted that France and Saxony were about to wrest from us our manufacture of the finer cloths and woollens, and to supplant us in foreign markets.—What is the fact? we have it not upon our own statements, but upon the financial records of the United States, published for the year 1822, that the value of the imports of British woollen manufactures into those districts, for the previous year, amounted to between nine and ten millions of dollars, whilst the value of the entire imports from France did not much exceed four millions; three-fourths of which imports consisted of the *natural* produce of the climate of France (her wines and brandies, &c.) and one-fourth only of her manufactured articles. In a word, whilst the exports of Great Britain to America of *general* manufactures, for

the year 1822, exceeded four millions sterling, the export of French manufactures of lace, silk, woollen, cottons, &c. did not exceed 250,000*l.*; about one-sixteenth of the value of British commodities. It is, perhaps, not easier to give a more conclusive answer to such of our merchants and manufacturers, who cry out for prohibitions and high duties, and who have opposed the *Warehousing Bill* with such unreasonable jealousy, than by adducing this example of the incontestable superiority of British manufactures. We have here the unsuspected admission of a rival power in our favour, that, with the exception of the gifts of climate and natural produce, no country whatever can contend with Great Britain in manufacturing industry and skill.

If such be the state of our woollen manufactures, the condition of our cottons is no less satisfactory. The markets of China, India, and South America have been thrown open to this beautiful fabric, destined, no less from the lightness of its texture, than from its capacity of being wrought to a firmness and solidity equaling wool in warmth, to become the universal clothing of the world. We have already spoken of the exports of this manufacture, and proved, by the official documents, such an annual increase, as establishes beyond all doubt our vast

comparative superiority in the European and American markets, and, it may be added, even in the markets of India and China. The internal consumption is, in its proportion, equally increasing. The cotton wool imported, and wrought up in our manufacturing districts during the last year (so far as we can judge from the Liverpool and Glasgow accounts hitherto made up), appears to be more by one-fifth than the quantity imported and manufactured during the year 1821.

When it is remembered how important the woollen manufacture has been regarded in all ages of the monarchy, and how many acts of parliament have been passed in every reign, from Edward the First, for its encouragement and protection, it becomes a necessary inference, that our cotton manufacture, which, as one of our staples, is scarcely older than the commencement of the reign of his late Majesty, is entitled to the first degree of consideration both by the government and people of Great Britain. It is eminently entitled to attention in two points of view. First, that the raw material of the manufacture is not the produce of the country, nor is it to be procured, to the extent required, from the colonies or dependencies of our empire; and yet, in despite of this natural obstacle, it has become the principal of

four manufactures. When the value of our woollen exports did not exceed seven or eight hundred thousand pounds, and the value of the whole manufacture, both for home and foreign supply, did not exceed five millions, as in the reigns of George the First and Second, the statesmen and public writers of that period were accustomed to hail this staple as the main support of the commerce and manufactures of the kingdom. What would have been the incredulity of these writers, and of Sir William Temple amongst them, if it had been predicted that, within seventy or eighty years, cotton, an article at that time less used than silk, at the present period would exceed this produce by a ten-fold amount; that whilst the export of our woollen manufactures would, within that period, rise to an annual value of six millions, our cotton manufactures, in the same period, would exceed twenty millions annually; that is to say, more than three-fold the amount of our woollens?

The second point under which this manufacture deserves the most attentive consideration is, that it is now conducted amongst us with such an advantage of capital and machinery as to defy all foreign competition; and, what is of most importance, to counteract the irregular price of food and labour amongst us. It has been the frequent subject of appre-

The suspension of late years, that the future effect
 of the Corn Laws, and of the mode of living
 amongst our labourers of all classes, will gra-
 dually so augment the price of labour, and, by
 a necessary consequence, that of manufactures,
 as to exclude us from foreign supply. But hap-
 pily this effect is more than counteracted by our
 immense superiority in machinery and capital;
 under the effect of which, the produce of the
 smallest portion of human industry is so in-
 finitely multiplied, as to render the cost of
 labour, as compared with the produce, almost
 wholly insignificant. If it be objected, that
 the same instruments are within the reach of
 foreigners, we reply, that such capital and ma-
 chinery are not the creatures of a day.
 The advance of the silk trade exceeds every
 example of the progress of manufactures in
 ancient and modern times. In the earlier state
 of this trade, it had to contend, under the
 greatest disadvantages, with the same manu-
 facture in France. The vicinity of Italy, and
 the domestic growth of the raw material in
 France itself, were such predominant advan-
 tages in favour of the French artisan, as to
 confine the sale of English silks entirely within
 the British dominions, and to remove every
 hope of sharing with France in the European
 and foreign market. Fortunately for the best

interests of the British empire, the gradual improvement of our territories in the East Indies has introduced a new state of things, under which the former disadvantages, as regard the supply of the raw material, have entirely disappeared. The quantity, and, what is of equal importance, the quality of East India silk, now almost equals, in every respect, the silk of Italy; and the soil and climate of the East Indies appear, by actual experience, to be so favourable to this produce, that the supply of the British manufacturer may be at all times increased according to the demand.

In the year 1770, the annual supply of raw silk from India did not reach one hundred thousand pounds. In 1780, it did not exceed two hundred thousand pounds. In 1800, it was three hundred thousand pounds, and a small excess. In 1820, the amount of raw silk imported from India exceeded one million pounds. If we add to this amount, one hundred and fifty thousand pounds, which is now our average importation from China, and about five hundred and fifty thousand pounds, which we annually import from foreign Europe, the total annual consumption of our silk manufactures will appear to be about two million pounds. According to the average of the last three years, the consumption has been two mil-

lion one hundred thousand pounds. In the year 1820, taken by itself, the amount of raw silk consumed, exceeded two million five hundred thousand pounds. Now, according to Monsieur Chaptal, the annual consumption of the French manufactures, in the year 1812, was not more than nine hundred and eighty-seven thousand pounds. According to the evidence of one of the witnesses before the Lords' Committee upon this subject, the annual value of our silk manufactures was stated to be ten millions; which, with the exception of a very small portion for foreign markets, was consumed at home. The opening of the Indian trade, and the general spirit of traffic which is now directed towards the several islands in the Eastern Archipelago, where silk is principally cultivated, will doubtless give a new impulse to this manufacture, and be productive of great reciprocal advantages to Great Britain and her Indian dominions. The price of Italian silk is undoubtedly higher than Bengal silk; but as it is stated that only one crop of silk is annually produced in Italy, whilst from two to three are produced within the same period in India, it is to be expected that when larger capitals shall be invested in this trade, and the supply be better regulated, the Indian silk, of equal quality with the Italian, will bear a still lower

price in the market. If in some of the lighter and more delicate fabrics, if in the brightness of colour, and durability of dye, we are excelled (as it must be admitted we still are) by the French manufacturer, our piece goods, and all those mixed fabrics, of which silk is the basis, are beyond all rivalry in the several markets of the world. The English manufacturer is not only conquering the French artisan, but, what is more difficult, he is now subduing the national taste and prejudice in favour of the foreign fabrics. The evidence before the House of Lords, upon the condition of this manufacture, affords a remarkable instance of the obstinacy of prejudice, and of the difficulty with which received notions are gradually displaced. Of the silks, professing to be smuggled, nine-tenths are proved to be of British manufacture, brought from Spitalfields, and not from the looms of Lyons or Marseilles.

The next species of manufacture, in order and importance, is our linen; a manufacture, which, under some singular circumstances for many years past, appears not to have obtained its natural extent, but which, of late, has advanced in common with the other produce of our industry. It is scarcely necessary to observe that this manufacture belongs almost exclusively to Ireland; and it is, perhaps, to this circum-

stance (it is said without offence, and not without a feeling of deep regret), that its very slow comparative advance must be imputed. In England, the astonishing progress of our manufactures belongs unquestionably to our three characteristic advantages—the extent of our capital; the costliness and abundance of our machinery; and our steady, as well as active industry. In all these circumstances the population of Ireland is unquestionably inferior. It is no reflection upon the national character of this brave and generous people, and it is assuredly not intended as one, that their wealth is not adequate to an equal competition in capital and machinery. It is perhaps owing to the same cause, that their national industry, being less called forth, and less cherished and excited by the liberal wages of large establishments, is more characterised by its activity in the commencement of labour, than by a steady and assiduous application through its progress. It is not to be doubted, however, but that the manufacture of her peculiar staple is now extending in Ireland. The export of linen from Ireland, for 1822, exceeded, by nearly one million sterling, the export of the year 1820; and, by nearly half a million, the exports of the year 1821. It is to be lamented, however, that the foreign exports of linen from

Ireland are still less than belong to the excellence of the manufacture, and to the circumstance that it is one of the staples (indeed, almost the only staple) of that kingdom. A considerable improvement, doubtless, took place during the last year; and the opening of the South American market holds forth a promise of great augmentation, if the capital engaged in this manufacture be rightly directed. It will scarcely be believed, that of the aggregate amount of linen exported from Ireland for the year 1822, Great Britain took, partly for her own consumption, and partly for exportation, in the proportion of 2,800,250*l.* to 240,769*l.*—The latter sum is the total amount of the export of this staple manufacture by Ireland herself, to all parts of the world, exclusive of Great Britain.

Our next manufacture in order is our hardware, cutlery, and iron, wrought and unwrought. The state of these manufactures can only be estimated by the general condition of the trade, as we see it, and the amount of our exports. Of those we have already spoken; and during the last year, and what has elapsed of the present, they have been all upon the increase. Perhaps no article suffered more under the transition from war to peace. It is satisfactory, therefore, to observe these manu-

factures recovering, not only their former amount, but so far passing beyond it, as to prove an astonishing energy, as well in domestic consumption as in foreign demand. If our exports of cotton yarn, now averaging two millions yearly, have nursed a rival to this manufacture in the Netherlands and Germany; if, as respects silks, we are just gaining the vantage ground, and have still to contend with France and Saxony in our finer fabrics of wool; it must be admitted, beyond all question, that in hardware and cutlery we are above the danger of rivalry. We have, as respects this fabric, the mineral amongst ourselves. We have those local advantages of fuel, which are possessed, in the same degree, by no foreign nation; and in the hands, bodies, and skill of our labourers, we have that union of nervous strength, with that capacity of steady, assiduous, and long-continued labour, which, for centuries to come, must render us the first of industrious nations.

We see the market of this manufacture enlarging daily; and there is every reason to believe that the home consumption, which it is difficult to estimate (as not being the subject of any tax or financial regulation) is rapidly upon the increase. The Birmingham and Sheffield employment has been uniform and

steady, and the wages in this manufacture have not (as in those of cotton and wool) submitted to any material reduction.

With respect to iron, one observation becomes necessary. The decrease in the price of this commodity is undoubtedly great; but the cause is too obvious to dwell upon. The great dealer, the ordnance of ourselves and our allies, is no longer in the market, and the sword is here succeeded by the plough-share.

A policy, little approved amongst themselves, and yielded only to the popular clamour of the day, has interrupted the supply of the French with British iron; but, notwithstanding the stoppage of this channel, the export is still increasing. We possess, almost exclusively, the Mediterranean market; and such is the vigour and activity of this trade, that, even under this deduction of the French supply, we have little doubt, when the accounts of the present year (1823) shall be made up, but that our export of iron will be found equal to any preceding year.

If such be the state of our manufactures and of our internal trade, of which such manufactures are the main subject-matter, our consumption amongst ourselves of all the articles of daily use appears to be equally active and flourishing. The increasing consumption of

malt may be already traced in the present state of the barley market, as the price of this produce manifestly exceeds its ordinary proportion to the price of wheat. Perhaps none of the necessaries of life has fluctuated, within certain limits, more than this species of produce, as regards the quantity annually consumed. In some years it has very considerably increased, in despite of a large additional tax; and in other years, when such additional tax has been removed, it has unaccountably diminished. Perhaps, if our limits would admit of an examination of the cause of this irregularity, we should find it sufficiently explained by the prices of wheat in the years preceding the diminution or augmentation of the quantity of malt. A price of wheat, comparatively higher than the price of barley at the same period, has probably encouraged a larger growth of barley for the following year; hence has ensued a lower price, and, by necessary consequences, a larger demand. The event has thus disappointed the expectation of the growers; and in the following year they have possibly corrected the error by an excess the other way.

But whatever may have been the cause of the irregular consumption of two or three years out of a period of ten years or more, it appears that the annual demand is now increasing.

When the accounts for the present quarter shall be made up, the quantity for the year will be little short of thirty millions of bushels. It should be borne in mind upon this subject, that if this quantity do not altogether correspond with a calculation made upon the increase of our population, a very sufficient cause may be found in the character of that portion of the community wherein our population has been augmented. It is notorious that our population has been augmented chiefly amongst the manufacturing classes. But it is well known amongst those acquainted with the habits of manufacturing districts, that the labourers in these establishments consume malt-liquors less plentifully than labourers and mechanics, properly so called. The use of tea has, in such districts, supplanted, in a very great degree, the consumption of malt, and less malt is used because tea has become more general.

The consumption of this article, at once the necessary and luxury of all classes of the people, as to its progress and extent, is truly surprising. Within the last thirty years, the duty upon this commodity has advanced from 13*l.* per cent. to 100*l.* per cent.; but it has increased with a continually increasing duty, and the consumption is even now improving. Almost every new quarter furnishes an increase upon the

preceding quarter. The mean consumption of the two years 1820, and 1821, was 22,461,592lbs. The consumption of the last year exceeds twenty-three millions.

The increased consumption of sugar is rendered beyond all question, both from the increased payments to the Customs and from the augmented import. In the year 1822, the value imported was nearly 200,000*l.* more than in the year 1821, and in nearly equal excess above the preceding year. The gross receipts of the Customs on this article, to January of the year just ended, exceeded 5,162,000*l.* being a considerable excess above the year 1821. In 1817, our importation of sugar did not exceed three millions and a half. In 1822, it increased to four millions. When the accounts shall be made up to the 5th of January 1823, an increase will be found on this latter amount.

It is nothing of an objection to the importance of an increase in these two main articles of our domestic consumption, that they are of foreign and not domestic growth. It is still an increase in our commerce; and is therefore attended with an increased profit to the merchant, and with the active employment, and diffusive circulation, of larger capitals. But it is needless to observe, that the wealth of a country consists less in its treasure than in its circulation.

Whatever, therefore, contributes to circulate capital, and to diffuse the wages of labour through larger classes and more numerous individuals, tends proportionately, by affording means to greater numbers, to improve the condition of the people. By increasing the number of customers, and enabling so many to consume more abundantly, it necessarily augments the demand in every market, and more particularly in the market of all those articles which are the necessaries of life to all conditions. It is in this manner that the increase of commerce administers aid to agriculture, and that the prosperity of the landlord and farmer is sure to follow, and in no long interval, the prosperity of our foreign and domestic trade.

It would be tedious to follow our internal consumption through all the articles of which it consists. Suffice it to say, that the annual produce of all of them to the revenue establishes the same result. If some luxuries, such as wine, &c., have suffered a diminution, it will not admit an argument but that this defect is infinitely compensated by the increased comforts of the great body of the community. In no country in the world is the whole population so well clothed, so well lodged, and, let it be added, so well fed, both as regards the description of food, and the quantity. Let a

contract for the yearly supply of our larger poor-houses be read over to an intelligent foreigner, and he will be heard to express a lively surprise that it contains such a proportion of meat, butter and cheese; and such a sedulous provision that each of these articles should be of the best quality of its kind. Let an appeal be made to our country gentlemen, and let the question be put to them, whether in the poor-houses of their several districts tea, &c. be not provided for the women. This observation is not made in any grudging spirit. It is to the honour of a Christian country, and it is the duty of a wealthy community, that its poor should be thus liberally supplied; and if some check could be interposed to imprudent and ruinous marriages, we are not amongst those who would abolish, or approach to the abolition, of the actual system of our poor laws. When the landed interest however complain that six or seven millions annually are now expended for the maintenance of the poor, they should remember how large a proportion of this sum is paid by large towns and manufacturing districts.

If it could be expected that the reader would go through a mass of financial statements without weariness, it might be easy, by instituting a comparison through the long details of our

domestic consumption, between the year now closed (1822), and the preceding year 1821, to exhibit an increase under all those heads and articles which peculiarly belong to our internal trade and intercourse. Not only in the great branches of revenue, the Customs and Excise, but in our stamp duties; the rise in which can only be ascribed to the activity and number of our domestic dealings and interchanges:—In the Assessed Taxes, not upon houses and windows alone, the increase of which meets the eye of every observer in our large cities and manufacturing towns, but also in the minor articles of luxury; in servants, carriages, armorial bearings, game certificates, &c.: In the post horse and stage coach duties, which measure the degree of intercourse between the different parts of the country: under all these heads, the official reports of finance lead to the same conclusion, that the resources of the internal trade of the country, and the integrity of our means of consumption, are not only unimpaired, but are existing in increased energy. In respect, indeed, to those articles of consumption which more peculiarly belong to the middle and lower classes of society: in tobacco and snuff, in beer, in candles, in soap, in British and foreign spirits, in tea and in sugar, (of which last we have already spoken), the im-

provement is progressive with every quarter. But in order to confirm this proposition, and before we conclude this division of the subject, it may be necessary to take a brief review of the revenue of the year just closed.

At the commencement of the last sessions, his Majesty's ministers were enabled to meet Parliament with an increase of above 1,000,000*l.* revenue (calculated up to the 5th of January 1822) over the revenue of the preceding year. It may perhaps not be unimportant to observe, that the revenue of the year 1821 exhibited almost as large increase over the revenue of the year 1820. But having stated the revenue up to the 5th of January 1822, let us now mark its progress to the close of the year. The first quarter of the year 1822 ended, of course, April 5th. In this quarter, upon a comparison with the corresponding quarter of the year 1821, the increase was upward of four hundred thousand pounds. In the Customs, the increase was nearly 200,000*l.*; nor was this improvement to be placed to the account of any sudden and fluctuating state of circumstances. Every quarter of the last year had exhibited a similar result. In the Excise, the sure test of domestic consumption, and which speaks too plainly and palpably for artifice and deception, after deducting the decrease on a few articles, the

improvement was very little short of 150,000%. In the Stamps, the increase was 114,547% on the quarter.

In the succeeding quarter, ending July 5th, the same progressive improvement was visible, although the repeal of taxes began now to operate upon the amount of our income. Allowing for these deductions, the increase in all the great sources of revenue was very considerable. In the Customs, the activity and enlargement of our foreign commerce were visible in improving receipts. In the Excise, allowing for the reduction of the malt tax, and some arrangements of the Exchequer which postponed the payment of the duty on hops, an increase had taken place upon all articles of general consumption and use. In the Stamp-duties, the augmentation was more than 100,000%. In the Land-tax, there was an increase of 133,000%. In the miscellaneous, of nearly 30,000%. The Assessed taxes indeed were diminished by a very large amount, but this had been occasioned by the repeal of the husbandry horse-tax. As compared with the corresponding quarter of 1821, the reader will be at first struck with a diminution to the amount of 35,000%; but if he will bear in mind, that taxes had been actually repealed, whose produce for the quarter would have been 450,000%, he will see that the

increase upon the general income exceeded 400,000*l*. Upon the whole year the improvement indeed was prodigious. It amounted to the sum of 1,600,000*l*., as compared with the produce of the previous year ending at a corresponding period. Had no diminution of taxes taken place, the increase would have exceeded two millions; an augmentation, upon taxes of fixed amounts, without parallel in the history of finance within the same period of time.

In the October quarter, as compared with the corresponding quarter of 1821, the decrease of payments into the Exchequer was upwards of 800,000*l*. It will be recollected that this quarter in the preceding year had been unusually productive; and the increase had been attributed, with some reason, to an effort of expenditure, peculiarly excited and strained beyond its ordinary scope by the festival of his Majesty's coronation. But assuming the income of the October quarter for 1821 to have been an unforced and natural produce, if we compare it with the October quarter of the year 1822, and make allowance for duties (actually remitted), and for those (which are in the course of repeal), we shall have ample reason to congratulate the public on a thriving and prosperous state of the revenue.

In this quarter, the remission of taxes produced a most considerable effect; but the diminution extended no further than to those duties which had actually become the subject of mitigation or repeal. There was an increase upon all the more considerable branches of revenue which ministers had left untouched. In the Customs, indeed, notwithstanding the repeal of the tonnage duty (45,000*l.*), the increase was 97,000*l.* And if those branches of the Excise (which were affected by actual decrease from diminished duties) be deducted from the total produce, there will appear upon the remaining articles an advance of upwards of 300,000*l.* If the reader could spare time for the examination and comparison of details, it would be easy to satisfy him, that, upon the articles not affected by the reduction of taxes, an increase had taken place to the amount of 460,000*l.* In tea, for example, the increase was 311,136*l.* In tobacco and snuff, 133,614*l.* And in foreign and British spirits (we had rather it had occurred in any other articles) the augmentation exceeded half a million.

At the time of writing these observations, the quarter ending January 5th, 1823, is not made up. Our purpose does not require us to anticipate it; but the result will not disappoint the public.

In reviewing the actual state of our internal resources, it would be unjust to omit one characteristic of the present times, which is no less a mark of increasing prosperity than of a spirit of independence and economy, the fruits of which will be found, in no distant period, to exhibit themselves in the exaltation of our national character, and in the improvement of the general condition of the people,—we advert to the system of Saving Banks.—Whatever tends to the accumulation of property and of capital, in however small a portion, fosters the spirit of independence, and lays the ground-work of national riches and strength. The Saving Banks are the funds of the lower orders, and the energy and steadiness with which they advance is no less creditable to their industry than to their moral sentiments. Within the year 1821, a sum of 1,300,000*l.* was lodged in these depositories. The accounts of the commissioners for the redemption of the national debt (in whose names the stock belonging to the Saving Banks is invested) have not been made up for the year 1822; but, beyond all doubt, a very considerable increase has taken place.—The amount of interest paid or credited to the Saving Banks for the year 1822 amounted to 176,505*l.*; and upon the 5th January last there was standing in the public

name of the commissioners, on account of the Saving Banks, for England *only*, the prodigious sum of five millions, eight hundred, and seventy-seven thousand pounds, accumulated within the short period of four years.

of the commissioners, on account of the
 saving banks for England only, the prodigious
 -**COLONIAL ADMINISTRATION.**

THIS head of our subject is now rendered of the first consideration by the growing importance of our colonies. In the ancient system of governments, colonies were considered only as the relief of an excessive population. In modern governments, they at once afford relief to population, and new stores and markets for commercial demand and supply. When the present United States were separated from the dominion of this country by the events of the American war, there was a general opinion amongst the most intelligent writers of that period, that British commerce had received a shock from which it would with difficulty, if by any means, recover. —Forty years have not passed away since the peace which concluded this war; and, within that interval, the small remains of our former American dominion, and that portion of it which was then least promising, have made such an astonishing progress in wealth and cultivation, as to take annually from England a greater quantity of our domestic growth and manufactures than was taken by the whole thirteen provinces of America before the war of 1775. In a pamphlet

published by Mr. Burke at that period he states the total value of American imports to be about one million sterling; and the total value of British produce and manufactures, exported from Great Britain to the American provinces, to be from 1,200,000*l.* to 1,500,000*l.* Now in the year 1819 (we might, if necessary, take a more favourable year) the value of our produce and manufactures exported to the four British American provinces, New Brunswick, Nova Scotia, Newfoundland, and the Canadas, amounted to 1,320,000*l.*—In 1820, the value of the same exports was 1,548,000*l.* If we were to include the West India islands in this calculation, as they appear to be partially included in the estimate of Mr. Burke, the amount of exports to British America and the West Indies was, in the year 1819, 6,800,000*l.*; and the amount of imports from the same provinces and islands was, at the like period, within a very small sum of 9,000,000*l.*

Such is the increasing value and prosperous condition of our colonies, and so short-sighted is the wisdom and discretion of those persons, who, for the purpose of highly colouring some particular branch of the subject, institute an invidious comparison between our general commerce, our colonial trade, and our agriculture. In their different degrees, they all contribute to

compose a general fund of wealth; which, being distributed through every class of the community, diffuses the profits of capital and the wages of industry amongst every order of the people. If any branch of our commerce could be struck off, or even materially diminished, the effect would be almost immediately felt in the reduced value and price of land.—Whence is it, for example, that Ireland, as seen by a too recent experience, at once abounds in population, and in an excessive produce of her soil?—Whence is it, that we have seen in that kingdom such a distressing necessity for food in her towns and villages, and such a narrow and insufficient demand in her overflowing markets?—It is, simply, because the price of food is not raised by population merely, but by a population able to pay for it.—Reduce our commerce, reduce our manufactures, and there necessarily follows a proportionate reduction in the number and means of those who were heretofore in a condition to consume plentifully. It is true, that, under the effect of the poor laws, our poor must be fed at all times; but it is one thing to be fed by parishes, and another by purchase from their own means.

But to proceed to a more particular inquiry into our Colonial Administration. Upon a general view of this part of our subject, it will

appear to afford a convenient distribution into three heads. 1. West Indies, British and foreign, and our new policy with respect to them by the repeal, or rather the new modelling of our navigation laws. 2. British America; and particularly the Canadas, and the new measures for the improvement and consolidation of their government. 3. The East Indies, and the minor colonies, the Cape of Good Hope, New South Wales, Isle of France, &c.

Under the first of these heads it is scarcely necessary to repeat, that some important acts were passed during the last sessions for the relief of the West India trade, in general, not only with the United States of America, but with foreign Europe. According to the original colonial system, as instituted and administered by all European nations, and by us in common with them, the trade of the colonies of the mother country was in every respect a monopoly. They could only sell to us and buy from us. In the progress of commercial knowledge it was at length understood, that such a double monopoly was alike unfavourable both to the colonies and the parent state; that it constrained the natural growth of these settlements, and retarded, or rather entirely destroyed, that advance in wealth, population, and commercial spirit, which is necessary to

enable remote colonies to become important dealers with the mother country. As regarded the mother country herself, such a system was seen to be equally erroneous. It gave her the profits of a narrow monopoly instead of a large and liberal trade. It gave her a high profit upon the few transactions of a circumscribed traffic, instead of a small gain upon the innumerable quantity of dealings in a free and general commerce. This experience did not come in vain. Accordingly all our Asiatic colonies have been gradually liberated from this restrictive system, and our legislature has availed itself of every opportunity to deliver the commerce of the country from this monopoly.

As the example was set in the East Indies, it was soon extended by the government of that period to the West India islands. By the act of 1805, the free port system was consolidated and enlarged, and ports opened in almost all the islands to admit a supply of articles from foreign colonies. In the year 1806, this liberal system was further extended, and an order of council was issued, permitting American vessels to bring into one or more of these ports all the staple productions of the United States, and to export, in return, all the produce of the West Indies. This relaxation of our ancient monopoly was confirmed immediately

afterwards by several successive statutes. At the same period an act was passed, by which the colonies were permitted to send their produce direct to Europe, to any port south of Cape Finisterre; a privilege extended, by a subsequent act, to Malta and Gibraltar; ports, which it was meant to establish as depôts for the Mediterranean trade, and as store-houses for the supply of foreign Europe with colonial produce.

Under the effect of these two classes of statutes, the ancient double colonial monopoly, that of *exclusively* supplying the consumption of the colonies from the mother country, and that of *exclusively* receiving their produce by direct importation into Great Britain, were effectually and most materially relaxed. By the free port acts, the colonists were enabled both to sell their produce to foreign countries, and to receive from thence, in good part, their own supplies. By the acts permitting colonial exportation to Malta and Gibraltar, and the ports of Europe, south of Cape Finisterre, the colonists were enabled, in a very great degree, to supply Europe with their own produce.

Both of these classes of statutes still contained a limitation which, in great part, rendered their provisions nearly nugatory. Under the free port acts, the United States could take

sugar and rum from the islands of Bermuda or Bahama only, and not immediately from the place of their growth and produce. The merchants of these little islands were interposed as intermediate dealers. The traffic was thus unnecessarily clogged by the profits of a trader, who, being at once a monopolist, and a small and new capitalist, greatly aggravated the price of the commodity. The planters of Jamaica, Barbadoes, and the larger islands, thus lost nearly all the benefits of the new system, the price being so greatly raised as to induce the Americans to seek their supply from Cuba, Hayti, and the Caraccas. Under the second class of statutes, permitting colonial exportation to Malta and Gibraltar, and the ports of Europe south of Cape Finisterre, the supply of foreign Europe was equally fettered with an intermediate dealer. It was necessary to pay the profit of this merchant, before our colonists could send, or a foreign merchant could receive, the produce of the West Indies through this channel.

Such was the state of the West India trade till the spring of the current year, when two acts were passed by the persevering industry of the Board of Trade, by which this commerce is now finally regulated, and is at length, (it is trusted), most effectually relieved from its

former difficulties. By one of these acts, the system of free ports is extended to almost all the West India islands, and the merchants of the United States are thus enabled to obtain colonial produce direct from the islands of its growth, in their own ships, instead of receiving it, as heretofore, imported in British vessels only. By the other act, a direct exportation is allowed from the colonies to foreign Europe, and the necessity of an intermediate depôt at Malta or Gibraltar, or at some other port south of Cape Finisterre, is abolished. Such, in a few words, was the boon of government to the West Indies during the last sessions.

As respects the second head of our colonial administration, British America, it does not belong to our subject to call the public attention, with any minuteness, to the new measures for the better government of Canada. Suffice it to say, that the late statute passed for this purpose had two objects: the one, to reduce the expense of the civil government; the other, to secure a more effectual administration of the laws, and a more simple and orderly progress of public business. In attempting both these objects, his Majesty's ministers never forgot either the obligations of humanity or the principles of a free government. If they have reduced establishments, they have attended to the just

claims of meritorious service upon a great and generous nation. In considering what is due to the public, they have not forgotten what is due to the individual; and whilst they have sought economy, they have remembered not only the justice, but the sound prudence, of cherishing and rewarding a public spirit in a public service. To degrade the public service, as to its recompense, below the value of a service of the same kind and degree in mercantile and professional employments, is effectually to degrade such servants in their own estimation. Its necessary tendency is to banish the principle of honourable feeling, and, by a sure consequence, to have the public worse served; or, in other words, to have the least restraint of principle where there is most force of temptation.

As regards the simplification of the government, and the new provisions for the conduct of public business in these provinces, his Majesty's ministers have been careful not unnecessarily to offend public prejudice; nor to force those innovations upon the Canadians, which, however adapted to the governments of Europe, are of very questionable utility amongst a people not prepared for their admission. It is easier to pass a law for juries, than to find suitable jurymen. It is easier to set down qualifications for

freeholders, than to find freeholders qualified in circumstances so different from our own. Indeed it is pure pedantry to seek to force all governments into a similitude with the government of Great Britain. Accordingly, his Majesty's ministers have made no attempt of the kind. They have left as they found that harmless remainder of the old French laws, the laws of *seigneurage*, because they find the old Canadians to be invincibly attached to this monument of their origin; and because ministers themselves could not but respect this feeling. Observing these limits, it will not be questioned that the new act for the government of Canada is entitled to the gratitude of the Canadians.

As respects the third head, the East Indies, the very name opens a field of discussion at once large and most important. His Majesty's ministers have always paid the most anxious attention to this vast member of our empire. They do not require to be informed that it is infinitely less productive to our commerce and national wealth under its existing form of commercial monopoly than it might be rendered by becoming incorporated in the general body of the empire, so as to share in its capital and to participate in the freedom of its trade, manufactures, and consumption.—But difficulties

almost invincible encounter them at the first step. The first, the peril of rashly meddling with a subject of such magnitude and complexity, and disturbing territorial, corporate, and individual rights and property to an immense amount; and, secondly, the existing rights of the East India Company, and their fair and just claims to receive an equivalent in exchange for their own concessions. So far as these difficulties have allowed ministers the power of acting, they have directed their measures towards the advancement of British commerce, and towards the relaxation, in fact, of the Company's monopoly. At the renewal of their charter in 1813, it was found expedient to leave them in sole possession of the tea trade, and not to endanger an extent of importation, and a magnitude of revenue, held at that time upon a tenure somewhat precarious. It would have been unjust, and indeed it was impossible at that period, to put the public and government into entire possession of the privileges and trade of the Company. It was perhaps impossible to pay to the Company and to individuals the vast sums which might appear, on calculation, to be their right upon such resumption by government. It was necessary, therefore, to renew the charter; and if the charter were renewed, it would have

been unjust, perhaps impracticable, to have divested the Company of their China trade. This trade was, therefore, left to them exclusively; but, on the other hand, they were required to open the supply trade of India to our general commerce. Perhaps the history of the world does not afford another example so striking of the benefit of free intercourse; and the benefit would still have been more prominent, if the active enterprise of our traders had not counteracted their profits, and depressed the markets, in the first instance, by overstocking them. But, under all disadvantages, the progress of this commerce has been such as to confirm the immense superiority of a free trade, and still further to prove what may be effected by the capital, enterprise, and activity of the British merchant.

This progress may be best exhibited by a comparison of the former and present supply of British manufactures to the continents and islands of India. In cottons, the supply of India in 1815, under the ancient system, that is, of supply by the Company, was in value 109,480*l*. In 1821, the supply of the same article, under the existing system of free trade, was 850,881*l*. In 1822, the value of the supply was 1,120,325*l*.; that is, exceeding ten times the amount of the former average supply.

In 1815, the quantity of printed cottons exported from Great Britain into India was 604,800 yards. In 1821, the quantity of the same export was 7,602,245 yards. In 1822, the quantity was 9,979,866 yards. In plain cottons the increase is equally astonishing. In 1815, the quantity of plain cottons exported from Great Britain into India was 213,408 yards. In 1821, the quantity of the same British manufacture exported was 6,724,031 yards. In 1822 the quantity was 9,940,736 yards. In woollens, the difference of the climate, and the consequent habits and wants of the natives of India, oppose a natural obstacle to the same degree of increase; but in this article, likewise, there has been an advance to the amount of one-third. In 1815 the value of our woollens exported to India was 1,084,434*l*. In 1821 the value of the same export was 4,368,467*l*. In 1822 the value of our woollen exports was 1,421,649*l*. In 1815 the value of our woollen cloths, the principal woollen exports, was 434,689*l*. In 1822 the value of the same export was 712,374*l*. Under a just sense of the value of this free trade, ministers have spared no efforts to encourage its progress, and to remove every obstacle in its way. Accordingly, they gave an immediate attention to the representations of

the merchants of London, Liverpool, and the out-ports, that the free commerce might be greatly augmented if the limitation as to tonnage could be removed ; and if all ships, as well those under three hundred and fifty tons (which was the restriction of the charter) as those above that measurement, could be employed in this traffic. They lost no time in instituting an immediate negotiation with the Company to remove this restriction ; and after some difficulties, they succeeded in procuring the recommendation of the Court of Directors to the body of proprietors to make the required concession. The body of proprietors, however, availed themselves of this opportunity to require an equivalent for the relaxation of their charter ; and they accordingly proposed, that in return for this enlarged liberty of trade, the privilege of British registered ships should be extended to ships built in India ; and, secondly, that the duties on East India sugars should be reduced. It will be immediately seen that both these concessions, whatever might be their character in general policy, would have affected, most materially and directly, the interests of two great bodies of capitalists, the British ship-owners, and the West India merchants and planters. Here, therefore, ministers had again to contend with what has always en-

countered them in every effort to reduce commerce to just commercial principles, and to extend the general freedom of trade. Every merchant and trader was perfectly enlightened where his own interest was concerned; and on all such occasions recognised, with wonderful candour, the expediency and wisdom of free commerce. But no sooner is it required of each to qualify or surrender his own particular privileges, than a thousand reasons are discovered for continuing such favour to his peculiar produce or manufacture. It unfortunately happened in the present instance, that neither of the great bodies concerned would voluntarily afford the equivalent required at their expense, and that in the actual state of their trade the ministers could not propose it to Parliament. Freight was undergoing the reduction common to the market of all labour and commodities. West India produce was at the same period so abundant, and in consequence so depreciated, that there was an urgent application to government to resort to some mode for lessening the supply and augmenting the demand. Under these difficulties the negotiation was necessarily interrupted. We employ the term negotiation, as the East India Company possessed an unquestionable right to adhere to the letter of the statute by which

they hold their exclusive trade. In such circumstances, the government could only negotiate; and whilst they sought a matter of grace, they were compelled to admit the discussion of the terms upon which the parties concerned were willing to concede.

But though the negotiation has thus failed, it is impossible but that his Majesty's ministers must be strongly impressed with the importance of the points in question to the best interests of the empire. It is manifest upon the very face of our annual revenue, that sugar, the corn of the tropical world, and the staple produce of so large a proportion of the British dominions, has obtained such a degree of consumption and demand, as to be second only in value and importance to corn itself. According to the finance accounts made up to the commencement of the year 1822, before the reduction of the malt tax, the gross actual receipt of the Excise for all the malt duties in England was four millions and a half. The gross actual receipts of the Customs for sugar only amounted to five millions. With such a fact before their attention, it is impossible to be insensible of the value of an article which contributes so largely to the revenue and commerce of the kingdom. It is equally impossible not to apply, in imagination at least, the principles of a free trade

and an unrestrained cultivation to this produce, and to deduce the obvious inference, that both produce and consumption might be infinitely extended under a more liberal system. It is true, however, that human councils must be taken less upon abstract and absolute reasoning, than upon the positive state of things existing in the time and place at which we are called upon to decide. If the ground were clear before us, there could be no question of the comparative superiority of a free over a restricted market. But where a particular state of things, call it as you please, a system of abuse or a system of error, has gradually and insensibly grown up under less enlightened times; and where, in consequence of such a system, large capitals have become fixed, and great and numerous interests embarked, it is manifest that such interests become entitled, even on the score of humanity and prudence, to the most deliberate attention of government. The question then is, not what it is best to do absolutely; but what it is best and possible to do under all the circumstances of the case. In a word, we must look to the cost of reform, as well as to the proposed good. Where we can compromise, at a suitable sacrifice, we must do so. Where the subject matter,

or the natural adherence of parties to their own privileges, admits of no such compromise, we must wait for expiring interests. Such are the general principles upon which ministers have proceeded, and will continue to proceed, in all questions of this kind. Again, and again, let it be repeated, and let it be acknowledged, that they are thoroughly impressed with the truth of the principle, that freedom of trade is alike advantageous to the best interests of the country, and to the solid profit of the merchants, manufacturers, and growers.

One further remark before we conclude this part of our subject. Upon the termination of the last American war, our government, in pursuance of the above principles of free commerce, admitted the Americans to a direct trade with our ports in the East Indies; and thereby fostered and cherished that mercantile and adventurous spirit in our Indian settlements, of which Great Britain is now reaping the benefit in a demand for our manufactures annually increasing. Our own traders have become pardonably, but unreasonably, jealous of this concession. It has thus been angrily demanded in some of the publications of our merchants, whether the Americans are to rob us of the Indian trade as well as of the trade of

China? and are to share in the market of India as well as to possess exclusively the supply of foreign Europe with the teas of Canton? As respects the first of these complaints, it is surely unnecessary to repeat, that such a trade is only conformable to that principle of free commerce which all our mercantile classes profess to desire. The increased cultivation of India must proportionably augment her demands upon the British market, and our merchants and manufacturers must reap the benefit. Whilst India remained a close factory, her consumption was that of a factory; she begins now to consume largely, because her supply is cheaper, and her larger produce is encouraged.

As regards the second question, it is one of those points upon which popular writers and speakers have grossly deluded themselves and the people. By the official American accounts, published in the year just ended, it appears that the trade of America with China does not exceed 700,200*l.* English; the exact American figures are 3,111,951 dollars. Now, the value of the total imports from China to England exceeds 3,600,000*l.*, that is, about five times the amount of the American trade with that country. If we deduct from this 700,200*l.*, which is the value of the whole American im-

ports, the probable proportion of her own consumption in tea, how small must be the quantity with which she supplies foreign Europe! Such are the errors of popular writers when they approach these subjects without the proper documents before them, and venture assertion at random. So much, indeed, has been said and written upon the comparative condition of America and Great Britain in all branches of foreign commerce; and, under the general complexity of the subject, and the difficulty of access to the official documents, some of our writers have ventured such extravagant and unfounded assertions, that it becomes necessary to put an immediate end to this error, by opposing the true statement to the conjectural estimate. The reader will find in the following tables, upon the authority of the papers published by the order of Congress, the actual state of American commerce for the year ending March, 1822, which we have compared with the actual state of British exports to the same parts of the world.

210.00	210.00	America
200.00	200.00	British West Indies
310.00	310.00	Foreign West Indies
223.400	223.400	The British
		Spanish and other Colo-
		nies on the Continent
		of America
212.200	1413.714	Total

No. 1.
*Comparative Table of British and American Exports to the
principal Ports and Places of Foreign Europe, for the Year
1821.*

	British Exports, Foreign and Domestic.	American Exports, Foreign and Domestic.
Germany	£9,894,108	£479,822
Russia	3,668,383	191,501
Sweden	125,586	48,865
Denmark	308,575	118,373
Holland	2,047,612	831,196
France	1,162,756	1,468,925
Spain	666,912	149,222
Portugal	1,824,904	33,253
Italy	3,767,621	247,425
Turkey and the Levant	961,746	148,523
Malta	528,432	See Italy
Gibraltar	1,765,962	330,692
Total	26,722,597	4,047,797

No. 2.

*Comparative Table of British and American Exports to the
principal Ports and Places of the World, except Europe, for
the Year 1821.*

	British Exports of Domestic and Foreign Produce.	American Exports of Domestic and Foreign Produce.
East Indies and China	£3,272,817	£1,795,322
New Holland	118,086	16,066
Cape of Good Hope	256,464	3,367
Other parts of Africa	309,586	28,505
British Colonies in North America	1,676,316	452,203
British West Indies	4,347,042	59,647
Foreign West Indies	1,257,049	2,526,004
The Brazils	2,278,468	310,996
Spanish and other Colo- nies on the Continent of America	917,916	233,490
Total	14,433,744	5,425,500

It will be seen that this statement does not include the trade between Great Britain and the United States. In the first table, moreover, the trade of Great Britain is stated exclusive of the trade with Ireland.

In an examination of the second table, the reader will doubtless be struck by the great increase in the foreign carrying trade of America. The supply of Hayti, Cuba, and the West Indies, Dutch, Swedish, and Spanish, has now principally fallen into the possession of the United States. Undoubtedly the sea is open to both nations, and there is no disposition on the part of Great Britain to appropriate this highway of the world. But in this carrying trade, thus thrown open to all, it is the duty of Great Britain to use her best efforts to participate. The acts of the last session of Parliament, if not counteracted by an unreasonable jealousy, will produce this effect. But nothing can contribute more directly to our participation in this commerce than the admirable bill introduced into Parliament by the Vice President of the Board of Trade—The enlargement of the transit and warehousing system, and the opening of the ports of this country, so as to make them the *depôt* and emporium of foreign merchandise of every kind; the enabling our merchants to take assorted

to cargoes; and to employ our ship-owners as the carriers of foreign produce from British ports; must greatly extend our navigation and general trade, and give us our just proportion of that commerce with the foreign West Indies, which is now so extensively possessed by America.

FOREIGN RELATIONS.

It would be repeating matter already notorious to enter into the reasons upon which the system of Europe was settled by the treaty of Vienna. If the settlement of that period was not perfect upon every point, it was unquestionably the best that could be procured, under the circumstances then existing, to preserve the future peace of Europe. The Congress of Sovereigns, if it must be so called, grew, in fact, out of the circumstances of that period. The greater number of the European sovereigns had personally accompanied their own armies into France, and had assisted, and superintended, the conclusion of those treaties at Paris, which prepared the way for the final and more complete settlement at Vienna. The community of sentiment which at that time characterised these illustrious personages, suggested the obvious inference, that the same means might be adopted to maintain the system which had so happily been employed to put it together. Such, in point of fact, was the origin of what is now called the Congress of Sovereigns. Its object is to maintain the system at that time

established, but more particularly to preserve the peace of the continent. Its principle, or rather its means, may be stated in a sentence. It is the maintenance of the general peace of Europe by the personal amity of the sovereigns, and by a system of mediation and amicable discussion, which should, on the one side, recognise the perfect independence of the several states in their own internal concerns; and, upon the other, should hold forth their common interest, and therein their common obligation, to consult the general policy of Europe in all questions affecting the safety of the whole.

It is a most uncandid representation of the character of this system, to assert, that the allied powers, and England amongst them, have in this Congress formed a confederacy to control the internal concerns of other states, or to act the authoritative arbitrator in dissensions between state and state, upon interests belonging only to themselves. It is a still more malicious and unjust assertion, that the European sovereigns, and that England, in conjunction with them, have bound themselves, in this Congress, to guarantee to each other the actual degree of monarchical power possessed by each over his own subjects. As regards England, and as regards the other princes, the Congress is, in fact, nothing but an amicable

conference of sovereigns upon their particular and common interest ; it is a mere council of discussion—but, in no degree, a league and confederacy for the purposes of action. That is to say, so far as Great Britain is concerned, there exists no convention, either secret or expressed, by which one member is bound to support any particular object of the others, or to give any conjoint effect to the vote of the majority. To say all in a word, it is a mere friendly conference, and in no degree a diet or confederacy. There exists no article, express or understood ; nothing in the nature of a resolution ; nothing of a general understanding, nor admitted obligation, that one sovereign should have the right to call upon another to interfere in his own domestic administration, (if at any time adverse to his interests and inclinations), or to demand the power of Congress to suppress any merely civil contest between such sovereign and his subjects. The Congress, as such, and in the sense in which England consents to become a member, and to be present at its discussions, admits only such subjects as palpably menace the general tranquillity of Europe, and threaten to re-introduce, in their dangerous excess, those principles of anarchy, spoliation, and, let it be added, that systematic regicide, that infatuated destruction of all re-

ligious faith and establishment, which characterised the French revolution. In a word, the avowed and understood object of Congress is assuredly to keep down and to suppress the all-destroying spirit of French jacobinism; for why should not the name be used where it so well expresses the thing? and, secondly, to maintain the peace of Europe by amicable mediation and discussion.

Such, in brief terms, is the nature of this Congress; a system of mediation and discussion, and in no degree an offensive or defensive alliance. When any question is introduced into this conference, the first consideration is; Does it affect either of the objects of Congress? If it be palpably a jacobinical insurrection, for the purpose of expelling kings, nobles, and the clergy, the next inquiry is, whether it exists in such excess as to require the common aid of Europe to put it down. If it be a mere difference between two states, it is manifestly matter of friendly mediation, and such mediation is applied upon the same principle as it would be applied if there existed no Congress at all. The only difference is, that both parties are present before the friends of each, and are all present by themselves as well as by their ministers. If it be a mere internal concern, which a sovereign in

his discretion deems proper to introduce, it is a subject only of friendly advice. It was upon these principles that his Majesty's ministers may be presumed to have regulated their own conduct in the part they bore in an affair not yet terminated. The contest between Spain and her subjects was introduced in the late Congress at Verona. Without the aid of any other facts upon this subject than what events have rendered sufficiently known, it manifestly appears, that France claimed the consent of Europe in the first place, and the common aid, if eventually necessary, to suppress a revolution so directly affecting the general objects of the Congress. The ministers, representing the person of their sovereign, insisted, and assuredly with a strong appearance of truth, that this contest fell immediately within the two objects of Congress—That the Congress, as France understood it, proposed two immediate ends; the suppression in origin of all revolutionary and antisocial principles, and the maintenance of the general peace of Europe; but that both these objects were alike endangered by the present condition of Spain. That it was a jacobinical revolution. That if a jacobinical revolution had any distinctive characters, they were three. A revolution is necessarily such, when it is

effected by a military defection ; when it re-
 strains and consequently endangers the person
 of the king and his family ; and when it operates
 in a system of irreligion and spoliation of the
 church. But that all these characteristic di-
 stinctions were manifest upon the face of the
 Spanish revolution. The Spanish revolution
 had notoriously commenced with the general
 defection of the army from the sovereign. His
 Catholic Majesty had no longer any control
 over his own soldiers. The Spanish army was
 no longer the army of Ferdinand, but of Mina
 and the Cortes. The restraint upon the person
 of the king was equally notorious. He possesses
 as little the choice of his ministers as the com-
 mand of his army. He is compelled to sign
 the warrants for the execution, or rather mur-
 der, of his most faithful and zealous adherents.
 It is notorious to all Europe that his Catholic
 Majesty is but the nominal head of his own
 kingdom. The Spanish princes were living in
 a state of daily peril and anxiety for their lives
 and fortunes. Is it possible that the example
 of a rebellion so successful should not affect
 the safety of the French crown? It had not
 been without difficulty that the French go-
 vernment had succeeded in repressing the re-
 volutionary spirit in the capital and provinces.
 If the Spanish revolution should be permitted to

complete and consolidate itself into some form of government founded upon the principles of anarchy, the example would extend beyond France, and there would scarcely be force enough in Europe to contend against a system of successful and recognised Jacobinism. And what, in fact, did France require?—Her government required nothing more than what belonged, as matter of public right, to every independent nation. The king believed the security of his throne and the tranquillity of his people to be brought into danger by the revolutionary principles and practices of an adjacent power; he believed that the condition of Spain required France to resort to the means of self-defence, and he claimed a right to employ these means. Austria and Naples afforded a case in point.—If one of the powers of Congress had not assented to the principle upon which the revolutionary movements in Naples and Piedmont were opposed by the common force of Europe, the other sovereigns had come forward, with alacrity, to assist Austria in a contest, the magnitude of which she had overrated, though she had certainly not undervalued the danger of the principle. The king of France claimed no right to interpose in the internal affairs of another people, except where such affairs were conducted upon principles which menaced the

safety of all other governments, and of France in particular. Was it possible to deny, that in such a state of things, and under such a degree of danger, he possessed the right of declaring war against Spain, and of forcibly putting down an example which directly assailed his own safety? It was certainly another question whether the sovereigns of Europe would co-operate with their several armies in this effort. The determination of this question must depend upon the opinion entertained amongst those sovereigns, how far their own safety was compatible with the success of such principles, and how long the general peace might be supposed to endure under the influence of such an example.

--Whatever might be the general truth of these representations on the part of the French government, and whatever respect might be due to the immediate interests of France, it was manifest that her proposed appeal to arms would be at once a great present evil, and, what was more to be dreaded, might terminate in an extreme and unforeseen issue. Possibly, therefore, the representations of her ministers were answered by the ministers, on the part of his Britannic Majesty, by admitting the general question of right to act as an independent power, but appealing to her wisdom and moderation. It

was possibly admitted, that the objects of the European conference, at that time assembled at Verona, were unquestionably to maintain a general peace by amicable discussion and mediation; and, in the event of any great common danger from the resuscitation of the revolutionary principle, to adopt common measures for the general safety. But it was doubtless urged, at the same time, that this latter object was manifestly limited by the necessity of respecting the ancient and established principle of the independence of nations. Where the internal proceedings of any government or people are directly contrary to the common safety of Europe, it is the right and duty of every sovereign to resort to means of self-defence, and to put down such an active mischief by force of arms. But, to justify such appeal, two things are always necessary: the first, the existence of such principles; and secondly, their existence in such a form, and in such a degree of strength, as to constitute a necessity to appeal to arms. It is only by such necessity, and under such a case of self-defence, that one nation could be justified in interfering in the internal concerns of another. Without this limitation, the independence of nations would be but a name; and another and most fertile source of future war would be opened, to the destruction of every

government in Europe. It was possibly acknowledged that the Spanish Revolution had proceeded upon principles most strongly objectionable, and had exhibited actions and incidents justly alarming to every established government. But was it not very questionable whether the danger were so extreme as was apprehended by the French government? Was it not rather the contest of two parties, than a Jacobinical revolution? His most Catholic Majesty still possessed his personal liberty; his royal authority was still acknowledged; and if his prerogatives were abridged, and the exercise of his royal rights controlled, it was certainly an unhappy conjuncture in the internal affairs of Spain, but assuredly it did not constitute a case of general appeal to arms. It was not a case of the kind contemplated by the Congress of Sovereigns as falling within the objects of their union. The European sovereigns had at present two great objects: the first, to maintain the general peace; and the second, not to provoke a general exasperation amongst the subjects of free states, by confirming an opinion, (now industriously cherished and spread) that the Congress was, in fact, a confederacy of kings, to prevent and put down all reforms on the part of subjects, and to guarantee to every sovereign his actual state of monarchical power.

It was necessary to give an effectual answer to this malicious representation of the object of the Congress of Sovereigns, and not to provoke those associations, secret or public, in free states, which would be infinitely more dangerous—because composed of more respectable individuals—than the Jacobinical fraternities of Spain and Italy. One object of Congress would necessarily be interrupted by the proposed appeal to arms on the part of France; it would be a termination, *in fact*, of the existing general peace of Europe. The risk was great, the success uncertain, and the extent and consequences wholly unforeseen. The war would assuredly not end with the occupation of Madrid, whilst Cadiz adhered to the party of the Cortes; and former experience had proved the almost impregnable strength of Cadiz. The whole power of France—and at a period when France could unite with herself a great portion of Europe—had been foiled before Cadiz; and with every respect for the tried courage of the French armies, it was scarcely questionable whether the French government could justify itself, in prudence, for a long enduring siege of this fortress. The operations, therefore, would not be confined to one campaign. With every wish for the welfare of France; with every desire for the permanent security of her throne, and

for her consolidation in public order and tranquillity—it was impossible for the ministers of his Britannic Majesty to hold forth any promise of co-operation in such a war. If France embarked in it, it must be, as respected England, upon her own ground, and with all the eventual risks of the contest.

Such we presume to have been the language of the English ministers upon the application of France for the common aid of Europe in a war with Spain.

It is impossible to deny the right of France, as an independent nation, to enter upon such war, if her government should deem it to be matter of self-defence, and if the Spanish government, *de facto*, should refuse such modifications as France may think alone compatible with her safety. Our ministers, therefore, did not deny the existence of the right; but they questioned, and still must be allowed to question, the existence of such right under the actual state of France and Spain, and, indeed, of Europe generally. They esteem the general peace at too high a value to interrupt it from the apprehension of remote danger. They recognise, at the same time, the ancient principle of the independence of nations in their own internal concerns; and they deem this principle to be so intimately connected with the security

of the general peace, and the permanent interests of mankind, that they are unwilling to admit any other exception to it than a case of necessity extreme in all its circumstances; that is to say, unquestionable in its existence, formidable in its magnitude, and at once certain and extensive in its operation.

A very few words will explain intelligibly whatever we have further to add with regard to our foreign relations.

As regards our relations with Russia, it is impossible not to acknowledge our diplomatic success with that country. Our negotiations with St. Petersburg and Constantinople have unquestionably been the chief cause by which a war has been prevented between Russia and the Porte. It was impossible, indeed, not to participate with Russia, and with every Christian power, to a certain extent, in sympathy for the Greeks; but it is equally impossible to give such a predominance to feelings of mere charity and generosity, as to suffer them to seduce us from the higher obligations of prudence and self-defence. The first and most important interest of all the nations of Europe, and of England in particular, is to maintain the existing general peace, and, in pursuit of this object, most anxiously to avoid all such changes, which, by disturbing the present state of possession of

the great European powers, may lessen the security upon which the late treaties of peace were founded. It might possibly be easier to dismember Turkey than to distribute the dismembered provinces satisfactorily. We know that the general peace is secure under the present state of things. We possess it, and we enjoy it. But it is impossible to perceive how it would be affected by such a condition as might follow a war between Russia and Turkey. Such are the circumstances under which his Majesty's ministers have shaped their policy with regard to Russia and Turkey. On the one side, they acknowledge and lament the unhappy state of Greece; on the other part, they cannot but recognise the superiority of the two great interests—that of maintaining, in fact, the general peace of Europe, and of not calling forth any new condition, the issue of which it might be impossible to predict. Upon the comparative value of these two objects his majesty's ministers have taken their measures. Under the dictates of a sound prudence, they have preferred the greater good, and have hitherto succeeded in preserving a continental peace. Under a just sense of the cruelties exercised in the Grecian provinces, they have co-operated with Russia, upon all occasions, in seeking a security against a repetition of such outrages.

Whilst, by the public law of Europe, his Majesty's ministers are compelled to recognise in the Porte the great principle of the independence of nations, their ambassador has on all occasions employed the language of a friendly power, and availed himself both of the character of his country, and of his own just personal influence, to recommend such a line of conduct on the part of the Sublime Porte as might be conformable with the obligations of Russia, and satisfy the fair expectations of Europe.

Upon this subject his Majesty's ministers have been unfairly lectured by persons of whose humanity and generosity they have been accustomed to think more highly than of their political sagacity and wisdom. They are very desirous to take this branch of diplomacy out of their hands, and to adopt a tone towards Turkey which would not be tolerated by the Dey of Algiers. To these gentlemen ministers might doubtless reply, that they have not been wanting in firmness and spirit. They have not confined their diplomacy to mere efforts of mediation between Russia and the Porte. They have never for a moment lost sight of the character of the Greek insurrection, nor have they remitted their labours to assuage, if not to extinguish, those atrocities, which have disgraced this conflict. But they cannot overlook the circum-

stance that these cruelties have not been confined to one side. They have seen, with deep regret, that the first outrages (though more than adequately—in truth, most barbarously revenged) were committed, not by the Turks, but by the Greeks of Scio. But England cannot be expected to engage in a crusade for a much better cause; nor to take up arms for the purpose of reforming the government of Turkey, or obtaining a more impartial administration of justice, either in Greece, Egypt, or Constantinople. Such is the state of the case between the Porte and Greece, on the one hand, and Russia on the other.

Our general policy with Russia, independently of this question, has been attended with no less success. The two countries now trade upon equal and friendly terms. We have not, indeed, any commercial treaty with Russia; neither have we with France, Germany, nor the Netherlands; because, on the one part, we carefully avoid giving to our diplomacy the air of pursuing merely commercial advantages; and because, on the other, the tenacious adherence of our own merchants and manufacturers to their exclusive privileges renders it nearly impossible to solicit a greater freedom of trade from foreign states. His Majesty's ministers, however, have done all that belonged to them. By a statute

of the late session of Parliament they have rescinded the eighth section of the Navigation Act, by which the direct trade between Great-Britain and Russia was fettered. The commerce between the countries has, in fact, been much augmented under the recent encouragement of his Majesty's government; and if the jealousy of our agriculturists would admit a more liberal system in the importation of raw produce, and particularly in tallow and hides, there can be no question but that this augmentation would become still more considerable. It is only by selling largely that a nation is enabled to buy largely. To be jealous of imports, and solicitous only for exports, is to desire a large market, and, at the same time, to grudge and withhold the means.

With Austria, and the German powers, the same system of amity and confidence obtains. We have seen their diets and their councils impose heavy, almost prohibitory, duties upon certain articles of English manufacture, and in aid, as they allege, of the industry of their own subjects. If we have seen these laws without jealousy and remonstrance, it is because we have looked to our own trade with these countries; and, finding the value of our total exports upwards of ten millions annually, have found enough, in this state of things, to justify

our confidence in the solid basis of our commerce. We see the revenue of several German states derived from the transit duty on goods, and the territorial imposts levied upon the sale of commodities. They have thus a direct interest in the increasing vent of British manufactures. In the vast markets of Germany, as in those of America, the different traders of the world meet upon equal footing, and the British manufacturer can alone maintain his superiority by lower prices and better goods.

With Prussia, with the Netherlands, and with the northern powers of Europe, whilst the relations of national amity continue uninterrupted, our commercial dealings are extending and improving. Notwithstanding the almost total extinction of the corn and provision trade, our commerce with most of those countries is increasing. With Prussia, our trade has increased one-third within the last four years. With Holland and Flanders it continues more stationary. The Dutch and Netherlanders manufacture, like the French, for themselves, and import colonial produce in their own ships. With Sweden, our trade has been somewhat affected by own domestic manufacture of iron, and has declined on that account, as we no longer take the staple production of that country. But with Norway and Denmark, since the

repeal of the war timber duties, it is in a state of most rapid advance.

With all parts of Europe we proceed upon the same system. We desire no commercial treaties, because such is the jealous spirit of our own traders and manufacturers, that they would not allow the equivalent concession upon which such treaties can alone be founded. We are thus compelled to trade with them upon a system of reciprocal duties ; and our commerce, where most friendly, can only be maintained upon the footing of our intercourse with the most favoured nations.

If Portugal be an exception to this system, upon the policy of the Methuen treaty, and there be some ground of complaint, that, by the late high duties upon woollen cloths, she has been violating the spirit of that treaty, it must be remembered that the trade of Portugal is not properly comprehended within our European system. In contradiction to the policy of Spain, and the other colonial powers of Europe, Portugal originally threw open the Brazils and South America to British trade. This trade, indeed, now stands upon another footing. It is, perhaps, independent of the control of the mother-country. It is now, perhaps (we are speaking of the Brazils), a trade as free and open as the trade with the Spanish American

provinces. It no longer stands upon concession and privilege. But we cannot, in justice, forget the friendly hand that first unbarred the gate. With Portugal, however, as far as regards commercial dealings, we have some reason for discontent. The Methuen treaty now exists for her exclusive advantage. The cottons and woollens of Great-Britain will always command the same superiority in the Brazilian market as in the markets of the United States. If we take Portuguese wines at lower duties than French wines, it is so much conceded to Portugal.

Her colonial produce, sugar, coffee, tobacco, &c. are admitted into British ports upon equal rates with the colonial produce of foreign nations. England, as a commercial country, has no reason to desire any other basis of trade than that of perfect equality and reciprocity.

With the United States, as we have already shown, our commerce has greatly advanced; and our friendly relations with this power are not only confirmed, but placed upon a more solid basis, by our late system of navigation laws and the relaxation of our colonial trade. This, we trust, has closed a source of irritation and jealousy which long existed between the two countries. America has now that trade between the British West-Indies and her own states which she so long desired to possess. She may now carry

provisions and lumber thither direct, in her own vessels; and, without any circuitous navigation to the Bermuda or Bahama Islands, may trade directly with the West-Indies. This concession is, doubtless, attended with hardship to some of our minor colonies; but a system of laws, founded on the higher interests of national policy, must not be weakened by too much tenderness for minute and particular interests. By the treaty of 1814 we opened to America the ports of India. Calcutta, Madras, and Bombay, were thus rendered as free to commercial access as London, Liverpool, and Glasgow. We have now permitted her to trade with our West-India colonies upon the same equal and liberal footing.

Our relations with the South American provinces are equally favourable to the best interests of British commerce and manufactures. So far as the public law of Europe will allow, his majesty's ministers have removed every impediment to the progress of this intercourse. It is almost needless to observe in addressing ourselves to intelligent readers, that, by the public law of Europe, one nation cannot recognize the independence of the severed colonies of another, unless one of two conditions of circumstances should occur. Either the mother-country itself must have made some pre-

Formerly, the trade be-

liminary concession, which may authorize the inference that the sovereign is about to admit, in fact, the independence of the provinces concerned; or the colonial independence must be so firmly established, and must be followed up by such a system of regular government in another form, as to render it matter of reason and common sense, that all powers should recognize, in *terms*, what so undeniably and so palpably exists in *fact*. It would be invidious to argue too exactly the application of this principle to the actual state of Spain and her colonies. Suffice it to say, that so far is Spain from having made any preliminary concession, that the war upon her part is still continued. It is undeniable that nearly all her South American states are independent, in fact; but it can scarcely be asserted that they have yet passed into any state of regular, established, and permanent government. Under such circumstances ministers had no choice but to adhere to their system of strict neutrality. They have done so in the most liberal construction of the term. By the new navigation laws, a direct trade is allowed between England and the South American states. They are treated, in every respect, as foreign friendly colonies. Ministers have done every thing in their power to assist the British merchant and these colonies in their mutual intercourse. Formerly, the trade be-

tween South America and Great-Britain was carried on under the general system of the navigation act. By the late statutes, that trade is permitted to be conducted either in ships of their own build ; or, as they might want a commercial marine, in ships owned by the citizens of those provinces. To disembarrass and assist this trade, we have deviated somewhat widely from the letter and policy of the Navigation Act. Whilst Portugal and the United States are only permitted to import the produce of America in vessels of the build of the country of production, owned and navigated by their own subjects ; his Majesty's ministers, yielding to the necessities of the South American provinces, have been induced to extend the relaxation, and to legalize the flag of Old Spain in this new traffic between her colonies and Great-Britain.

Our commerce is already receiving the benefit of this encouragement. These provinces are annually becoming large markets for our manufactures ; and if our own colonial policy shall gradually open, so as to allow us to admit their imports upon a more unrestricted footing, there can be no doubt but that South America, as a commercial dealer with Great-Britain, will gradually rival the markets of the United States. Such is the general state of our foreign relations.

DOMESTIC ADMINISTRATION.

THE considerations under this head branch out into many particulars not included in the previous survey. 1. The actual state of the country as to its internal administration. 2. The estimates for the several branches of service which may be required for the year 1823. 3. The reductions in the government expenditure, and the relief which may probably be afforded to the public by a further remission of taxes. 4. The measures in progress for the consolidation and improvement of our national resources, and the melioration of the general condition of the people.

Under the head of internal administration, the state of Ireland demands the first consideration.

It became necessary to renew the Insurrection Act last session. Every untoward circumstance concurred to aggravate the condition of Ireland: famine, and the relaxation of that more active and vigorous state of police, at all times necessary in a country, the peasantry of which are so imperfectly civilised. The appointment of the new government for Ireland thus commenced at an unfavourable period. Happily,

however, the character of the outrages in Ireland was not political. They were stimulated by poverty, and directed against property generally. Tithes and taxes were no more the peculiar objects of the popular fury than rents. Taxes, indeed, had little to do with the question. The moving impulse was a dire famine, and the immediate cause was the failure of that produce by which the peasantry are sustained. But, whatever might be the cause, the effects were dreadful, and it became necessary for government to apply some remedy adequate to the excess of the disorders.

The measures adopted with this purpose were principally three.

1. A new Police system.

2. The bill to enable the clergy to lease their tithes, in order to prevent the general vexation of tithe suits, and to give the landlord the power of taking a lease; and incorporating the tithe with his rent.

3. The repeal of the hearth and window duty.

The internal administration or police of Ireland had already been assimilated to that of England. But the different state of the two countries had always occasioned a very wide difference in their several magistracies. The primary administration of the law in English

counties, is necessarily gratuitous, and indeed derives all its value, and all its high character, from this circumstance. But, to perform functions of this nature, it is necessary that those to whom they are committed should at once possess a station and property, which may remove them above all the ordinary temptation to abuse, and should unite a degree of education, knowledge, and even, in some kind, of judiciary habits, which may enable them to interpret the laws in the first instance, and to apply them, in their summary jurisdiction, without any gross or dangerous ignorance. In England, a class of gentry so qualified has for more than a century past existed in our most remote counties. In England, therefore, there has never been found any difficulty to supply our country magistracy with suitable individuals. But unhappily, Ireland is less advantageously situated. Let it be said without offence, because it is said in the spirit of truth and goodwill, that the great misfortune of Ireland is in the absence of a resident gentry;—in the want of those landholders, who, if resident on their estates, would doubtless administer the laws with the same intelligence, sympathy, and local knowledge, which characterise the magistrates of England. It was impossible for his Majesty's government to work without

materials. They could, therefore, procure no better magistracy than could be selected from a country composed, in so great a part, of factors and middle-men. Experience has proved that such a magistracy is insufficient and unsafe, and other measures were in consequence rendered necessary.

Such is the origin of the new police system, and of the measures which have accompanied it.

In a word, crimes, under an unfortunate state of things in Ireland, had become so frequent, and the criminals were supported by such strong confederacies, that it became necessary to apply a more vigorous principle than a gratuitous and ordinary administration of law.

It was not, indeed, to be expected, that parochial constables and headboroughs would incur risks, which so many magistrates themselves deemed it matter of personal prudence to avoid.

It became necessary to pay a service attended with so much labour and peril. The Constabulary act is now producing beneficial effects.

So far as experience has yet gone, it has been attended with the happiest fruits upon innumerable points. Under the alacrity of the officers appointed under it, the fire has been suppressed almost the moment it burst forth.

The unexampled liberality of England, in her recent subscription in aid of her fellow-

subjects of Ireland, at once alleviated the greater portion of their sufferings, and has excited a friendly and grateful spirit, which will go far towards restoring the public peace.

The Tithe Bill was another measure for the same general purpose. Whilst it respected the inalienable rights of the clergy, and recognised the equal claims of the church and the landowner, this bill removed many impediments in the way of an amicable composition for tithes between landlords and rectors. It is manifestly one of those measures, the full effect of which cannot be experienced until after some interval. The Irish themselves hold it in high value, and its present promise justifies their confidence.

The repeal of the hearth and window duty was a direct sacrifice on the part of his Majesty's government in the same spirit of amity and friendly feeling towards the Irish. If the proper estimate of any measure of relief may be sought in the value affixed to it by the parties proposed to be relieved, this repeal may be assumed to be a boon of the first importance. In every town throughout the kingdom it was received with the same unanimous joy. Such, generally speaking, have been the particular measures in aid of Ireland.

It is not our purpose to proceed, in minute

detail, into an examination of the ordinary administration of the Home Department. It is impossible to look upon the general state of the country without recognising three strong features manifest upon its very surface; all equally characteristic of a high condition of public welfare, and of its progress and solidity. At no period, within the last fifty years, have public order and tranquillity more generally existed. At no period has the immense revenue of the country been collected with so little pressure upon the people; and at no period have all classes of our population been so fully employed.

When it is considered how vast a revenue is raised from the population of the country, and how great a portion of that revenue, not less, for example, than twenty-eight millions, is not taken upon commodities in mass, but is collected, in the form of excise, upon numerous articles, in innumerable places, and through innumerable hands, it would be a reasonable expectation, *a priori*, that the intervention of the law must be very frequently applied to prevent frauds and concealments; but the fact is directly contrary to this anticipation. In the course of five years, from 1817 to 1822, the number of excise prosecutions has diminished by nearly two-thirds. In 1817, the number of these prose-

cutions was 461; in 1819, 220; and in 1821, 186.

The subject matter of the assessed taxes does not afford the same means and temptation for frauds and concealment. But a state of universal distress, if such had existed, would naturally have led to defaults by non-payments; and, by virtue of a system necessarily acting generally, such defaults must have been followed up by a corresponding number of prosecutions. But the fact is here equally contrary to the malicious representations of some of the popular writers. In the whole compass of the United Kingdom there has been no prosecution whatever for assessed taxes. If the increase of the revenue had resulted from any extraordinary rigour exercised in the collection, such increase would have been equivocal, as the indication of an augmented consumption. But where such increase of the revenue has concurred in point of time with the diminution of law expenses and prosecutions, and it is an undeniable proof of the ability of the country to sustain the present weight of taxation.

With the exception, indeed, of the assessed taxes, which unquestionably press with some inequality upon the inhabitants of towns, and which burthen it is the most anxious wish of his

Majesty's ministers to alleviate, it is almost impossible to point out any tax which is either paid with difficulty, or the rate of which affects the welfare of the trade and manufacture concerned. It is unquestionably true, that taxes upon traders, whatever be their amount, necessarily fall upon their productive capital; and affect the trade concerned in two modes; the first, by requiring a larger capital, and therein a greater expense to carry on the trade or manufacture; and, secondly, in thus increasing the price of the article, they abridge by a necessary consequence the consumption. But it is equally manifest, that, by a judicious selection, and from confining the tax to a moderate rate, these necessary effects of all taxes may not be greater in their degree, than is well compensated by the value and necessity of the amount of the tax to the state. In all taxes, indeed, this is the true question and principle. It is the common effect of them all to produce the above consequences; and there could, therefore, be no taxes, if it were a sufficient objection that they must raise the price of commodities, and compel an increased expense of production amongst dealers. The only question, however, is, not whether any tax produces such an effect, (for all taxes must produce it in common) but whether it produces it in so great a degree, as to interrupt the con-

tinuance and fair progress of the trade, in the dealing, or manufacture concerned, and thus to produce more injury to the trader than benefit to the public revenue. Now, the test, in fact, how far any tax corresponds with this principle is the actual condition of the article taxed, and of the dealer and manufacturer. Does the dealing or manufacture continue? Does the consumption gradually increase with the wealth and population of the country? If these questions can be answered in the affirmative, it is manifest that the rate of the tax affects neither the prosperity of the trader nor the ease and comforts of the consumer. It is manifest that the dealer is enabled to continue his business with profit, and that the necessaries and even comfort of life are still within the means of the same class of consumers.

The next considerations under this head are the estimates for the year just commenced.— These estimates, in ordinary course, are to be considered under the four heads of army, navy, ordnance, and miscellaneous. The saving of two millions in the estimates of the last year was effected by a diminution of the supplies in these four branches of service, and likewise by reductions under certain heads of the civil expenditure, of which it is not necessary to pass into a detail. The late measure for the con-

version of the dead charge into annuities for a fixed duration will necessarily affect the total amount of the estimates for the army, navy, and ordnance for the present year. Beyond these reductions, it is scarcely possible that these services will admit of any considerable retrenchment. It will be recollected that the vote for the service of the navy for the last year was 5,497,000*l.*; being a difference in this branch between the supply of the year 1821, of nearly 900,000*l.*, and less by half a million than the sum estimated by the Committee of Finance, of 1817, as the probable supply for the year 1822. His Majesty's ministers, however, following up the principles of economy, will perhaps be able to effect some further reduction in this branch of service. The policy of keeping it entire and unimpaired must be obvious to all. In the estimates of the last year. there was a charge to the extent of 320,000*l.* for the out-pensioners of Greenwich Hospital. This will not occur as a separate item of expense, but will be included in the navy estimates for the future; and according as the accounts will hereafter be made up, and according to the supply which will be taken for the navy, it may almost be asserted, that the greatest portion of this amount will in future be saved.

In order to render justice to this branch of

our subject, it is necessary to direct our attention, not more to the actual saving, than to the actual condition of the British navy under an expenditure comparatively so reduced. In the beginning of the first French war, it was a subject of frequent regret with Mr. Pitt that, under the injudicious and precipitate retrenchment that followed the general peace, the framework, as it were, of our army and navy had been so neglected and abridged, that upon the breaking out of the war in 1793 we had almost every thing to create anew. It is well known by the immediate friends of Mr. Pitt that he imputed the langour of the first years of the war to this cause. But this mischief cannot again occur under the present state of the British navy. We have whole fleets, as it were, in dock and under cover, and ready to be poured forth upon any immediate emergency. We possess a navy three times greater than at the commencement of the late war. It now consists of ships of all classes and rates, and built in such an improved mode, as at once adds to our available force, and is conducive to economy in building and maintaining them. In a late French publication of well merited reputation, it is justly stated, that our docks and arsenals exhibit the very perfection of naval architecture and engineering. In the daily and

monthly work of our arsenals, the order, the method, and the practical economy in the saving of time and money of a private yard or manufactory, may be seen united with a degree of skill, science, and perfection of machinery, which are possessed by no private manufactory whatever. Under such a system, we could pour forth such a force upon the commencement of any future war as would at once sweep the seas before it, and destroy, or blockade in port, any hostile fleets before they could increase to any effective magnitude. In a word, if it be the character of a just economy to procure the best article at the cheapest rate; to consider the end as the first and main object, and to apply the principle of saving to the means only, it is manifest that the administration of our naval department is entitled to this praise.

Before any proposal be made to reduce further our naval establishment, let it be remembered what is the actual present extent of our empire, and what are now the interests requiring protection. Let it be recollected, that it belongs to British interests of the first consequence to maintain a superiority in the Mediterranean; that in the East and West Indies a certain naval force must always be ready for a prompt and early application; that we have to defend the British mercantile flag, both in the

Atlantic and Pacific oceans; and that in another part of our service, namely, the naval service on the coast of Africa for preventing the slave trade, there must be no intermission of vigilance nor contraction of expense.

The next branch is the army.—The supply for 1821 for this service was 8,736,092*l*. The sum voted for the year 1822 was 7,748,346*l*.; being a difference of nearly one million between the supplies for the two years. On account of the disturbed state of Ireland it became necessary to propose an addition to our military supplies of 350,000*l*.; and the long continuance and extent of those disturbances have probably obliged us to exceed this estimate. But there is every reason to believe that this augmentation will not be required for the present year. A saving, therefore, to this extent, and perhaps (from an effectual system of economy pursued in the subordinate parts of this service), the retrenchment even of a more considerable sum may be expected under this head. The reduction within the last year, in men alone, amounted to upwards of 12,000. The mode of this reduction is perhaps entitled to as much attention as the amount. Three methods were suggested: a reduction of regiments; a reduction by men; and a reduction by troops and

companies in each regiment. Upon a due consideration, the latter was adopted as most consistent with economy. It left the army more effective, and preserved the fair and equitable principle of rotation, as applied to regiments abroad.

In the ordnance last year, the sum actually voted was 1,200,000*l.* which was a larger vote by 105,000*l.* than the supply of the previous year. But it must be remembered that this was occasioned by a diminution in the proceeds of the sales of the old stores, lands, buildings, &c. In the year 1821, the credit taken under this head was 232,000*l.* In the year 1822, it amounted to only 44,000*l.*; allowing for this diminution, on the one hand, and taking the increase of certain heads of disbursements on the other, and the actual difference of the ordnance expenditure between 1821 and 1822 was 83,000*l.* This saving was effected by means of economy which cannot be again employed. Under this branch, therefore, the public, we trust, will be satisfied if its amount remain nearly stationary.

In the miscellaneous, the supply for 1821 was 1,893,336*l.* The same service for the last year was 1,700,000*l.*, making a difference of nearly 200,000*l.* This is a branch of service

always variable; and it is impossible to speculate upon its rise or fall, before the accounts for the year shall be completed.

Our next head of inquiry is into the extent of the relief which will probably be afforded to the public by a further remission of taxes.

If in investigations of this kind it is usual to look forward to probable measures, and to enter, as far as may be done with propriety, into anticipations for the future, we must beg leave to premise, that the question is one of extreme delicacy; and that what is now offered is, in a great degree, conjectural. If Parliament should resolve to maintain, with firmness, the system so beneficially established in the last sessions, it is not improbable, but that from the reductions above stated, and the increasing prosperity of the revenue, his Majesty's ministers may be enabled to afford a further diminution of taxes of not less than one million. Until the proper period shall arrive, it would be indecorous to enter into any consideration as to the mode of relief to be adopted. But the one million to be remitted may be expected to arise in the following way.

Greenwich Hospital	£320,000
Extra charge for Ireland	350,000
Interest of five millions sinking fund	180,000
	<hr/>
	£850,000

In addition to this, the arrear to the Bank, which amounted to 200,000*l.* in the expenditure of last year, will not occur in the account of the present year; although a sum must be paid to this body for interest on their advances (as far as they have been made during the year), for the public accommodation.—There is likewise owing to the Bank, interest on the sum of 2,600,000*l.*, paid to the dissentient holders of the five per cents in July last.

Some other saving in the detail of expenditure, in the consolidation of boards, and retrenchments in the civil service, will probably carry this amount beyond one million; but it must always be borne in mind, that his Majesty's ministers can propose such further remission of taxes upon this ground only; that the Sinking Fund shall be left untouched, and that, at all events, a surplus of five millions shall be secured. His Majesty's ministers have never concealed their own solicitous wish, that the future Sinking Fund might be allowed to accumulate at compound interest, and that its profits might remain untouched, until the aggregate of the fund, and the amount of its operations, should reach a sum equivalent to one per cent. upon the total of the national debt. But though this be their own wish, they have not so far adopted it, as to exclude them-

selves from the application of the annual interest of the surplus towards the public relief; and, of course, they would be ready, if the wishes of Parliament should be unequivocally expressed upon this subject, to apply this proportion of relief in remission of taxes; or in any other form which the pressure upon particular classes may require. They feel themselves compelled to acknowledge, that what was done for the landed interests, in particular, during the last sessions, has given a kind of claim to other classes to have their peculiar interests considered in the next reduction of taxation. If the cheapness of all the necessities of life compensates to these classes for the continuance of the assessed taxes in their present amount, and thus renders their case less urgent than that of the landholders, his Majesty's ministers can never forget the distinction between taxes falling upon fixed property, and taxes payable upon uncertain incomes; between taxes falling upon the affluent classes, and operating (however they may operate) only as a reduction from rents and property, actually existing; and taxes falling generally upon the whole community, and, occasionally, upon the uncertain funds, and the insufficient earnings, of the labouring and mechanical bodies. If a million, or in the progress of two or three years, 2,000,000*l.* may be

spared for the remission of further taxes, his Majesty's ministers will, doubtless, feel it just that this relief should be generally apportioned.

If this system should be continued for a period of five or six years, his Majesty's ministers feel confident, that at the expiration of that period, an annual relief to the extent of three millions and a half, or four millions; that is to say, to the extent of the assessed taxes upon houses and windows may be afforded to the public. Under this system, the reduction of the four per cents into three per cents will assuredly be practicable, and will afford to the public an annual sum of not less than 750,000*l*. Nor must it be forgotten that the Sinking Fund continuing steadily to operate, during the same period, will apply nearly thirty millions to the redemption of the public debt.

○ Surely the learned gentleman himself, who was so much opposed to his Majesty's ministers, upon the score of reduction, in the last sessions of Parliament, will confess, that this mode of bringing round the state of the country to a capacity not only to resist, but to throw off its pressure, is much more consistent with its honour, its good faith, and its essential interests, than his own proposition to absorb the Sinking Fund, or his very intelligible hint to reduce the interest on the dividends to the public creditor. He might, perhaps, be in-

duced to think it a preferable mode to the commutation of tithes, to the diversion of ecclesiastical property to public necessities, or to the lowering of our diplomacy to a state of mendicancy which would impair our consideration in the eyes of Europe, and reduce a British ambassador to the level of an agent for a Scotch factory. He may likewise (should his usual candour not forsake him,) be inclined to think, that savings of this kind, and of this amount, are more beneficial to all classes of the community—though undoubtedly attended with less triumph and gratification to his particular party—than the five thousand pounds saved to the Exchequer by the reduction of a joint Postmaster, and the withdrawing of the two Lords of the Admiralty.

Such is the general state of affairs under the several heads in which we have undertaken to examine them. In the Finance, it has been made to appear that we have arrived at a state of solidity and public credit never before accomplished. The operation of the last session of Parliament upon the five per cents was a measure almost unequalled in the history of our finance. It shows at once the dominion of public credit, and the practical effect of an unsullied national faith. It shows what may be accomplished by a sagacious and vigilant attention to

the public interests in the money market, and how important an auxiliary an elevated state of public character is found to be in seasons of difficulty and particular pressure. The conversion of the annual five millions dead charge into an annuity of less amount, but longer duration, is entitled to almost equal praise. It is a measure as effectual in its result as simple in its application. The several measures in aid of the currency of the kingdom were equally conducive to great public interests; and, whilst they avoided any counteraction of the great and most essential object of returning to cash payment, they have assisted the trading and the agricultural classes, by upholding the circulation, so far as was consistent with this primary end.

The amount of savings, added to the produce of the conversion of the five per cents into four per cents, and of the five millions dead weight into long annuities, unquestionably exceeded every previous expectation. The application of this amount in the relief of taxes was in correspondence with the express wish of the majority of the House of Commons, and was, in all respects, a most large and immediate sacrifice on the part of government to the urgent necessities of the landholders.

The attainment of a surplus fund of five millions is a still more important feature in the

history of the year now closed. The original sinking fund was established in 1786, but was rendered nearly unavailing by the expenses of the Russian armament, and the precautionary measures in consequence of the state of France. It was only in 1792, that a Sinking Fund, properly so called, could be said to come into actual operation. In that year it was first effectually created by the appropriation of one per cent on every future loan. All loans contracted between that period and 1798 contributed in this proportion; but, between 1798 and 1802, the necessities of the country compelled us to depart from this rule. In 1802, we reverted to this salutary system, and the two funds—the original Sinking Fund of 1786, and the war Sinking Fund of 1792,—were united. But at that period the country was annually raising immense loans, and the sinking fund, however great, was, in fact, merely nominal; there being no real surplus of income above expenditure. The character of the present sinking fund has, therefore, this obvious distinction, that it is not countervailed by any loans; that it is not exhausted by any extraordinary expenses; that it is not anticipated in aid of any taxes, or pledged for any by-gone obligations; but is a clear surplus income, a nett balance of revenue above expenditure, always in

the hands of the government for the purposes of the redemption of our debt; and not liable (except under some most improbable exigency and danger of the country,) to be diverted from its real object.

Whilst such is the state of our finances, the integrity of our national resources excites unqualified pleasure. Our navigation, our commerce, our internal trade, our manufactures, and our revenue, all exhibit a condition, equally gratifying for the present, and justifying the most sanguine expectations for the future. The average of our exports of British manufactures exceeds the average of the most productive years of the war. If we have lost the monopoly of some branches of foreign commerce, (the supply of colonial produce), our loss has been more than compensated by an augmentation in our own particular trade. Our navigation maintains its relative superiority over every other power. In this branch of trade, as in every other, the profits are reduced. But as the business is still conducted with emolument, the interests of general commerce unquestionably gain by the reduction. The same conclusions, and the same observations, are applicable to our internal trade and manufactures. Profits are lower than during the war; but every trade and manufacture is in

vigorous employ, and the community gains in a greater proportion than dealers lose by a reduction in price. The public are benefited by the abundant possession of all the articles of necessity, comfort, and convenience. More are enabled to buy, and all are enabled to buy more. On the other hand, if the manufacturer no longer possesses the high profit incidental to a state of monopoly, the deficiency of such a rate of profit is amply made up to him by the actual solidity of its present condition; and still more, perhaps, by that gradual and certain increase of his trade, which will ultimately afford him a larger income, by small profits on extended dealings, than by high prices under a monopoly. It can never, indeed, be too strongly impressed upon British traders of all classes, that in a mercantile community, and with all the ports in the world necessarily open, high prices do not constitute the prosperous condition of commerce. Trade and commerce are then, and then only, in the highest degree of prosperity, when a low rate of profit upon extended dealings enables our merchants to go into the market of the world against every competitor, and gives and secures to them in every foreign country the never-failing advantages of British capital, machinery, and skill.

It is unnecessary to recapitulate the flattering

condition of the present state of our revenue. One feature alone should not be omitted. A revenue of the amount of fifty-five millions annually, that is to say, a revenue almost equal to the total rental of the kingdom, is paid without any rigour of law, and with so few prosecutions, that upon an order of the House of Commons to make out the returns for the year 1821 of such prosecutions, the returning clerk, under the head of assessed taxes, could find no case whatever.—We pass over this part of our subject with this circumstance. It speaks for itself, and would only be weakened by any comment.

Under the head of our colonies, our review, though necessarily short, has passed through a great variety of matter ; and it has been made fully to appear, that his Majesty's ministers have consulted, and so far as was in their power, have most solicitously reconciled, the general interests of free commerce with the urgent necessities of the colonies.

Under the heads of navigation and foreign trade, they have repealed many obsolete and embarrassing laws, which were the source of constant irritation and jealousy with other powers, without any corresponding benefit to our mercantile or shipping interests. Without shaking the column of our maritime greatness,

the navigation laws, they have repaired and renewed it according to the new aspect of the commercial world. They have relaxed and opened these laws to comprehend new and larger interests, and have extended their spirit and efficacy, at the same time that they have curtailed and abridged their more positive and technical rules.

It does not belong to any indifference or neglect of his Majesty's councils, that the sphere of free trade, as regards our colonies, has not been enlarged; and that the East Indies, in particular, have not been further opened to the capital and enterprise of our merchants. So far as regards general interests, ministers are fully sensible of the vast value and importance of the cultivation of sugar, the corn of the tropical world. They are fully impressed with the belief, that the consumption might be immensely increased; that eventually it might be produced by free labour; and that the encouragement of its culture on the great continent of Hindostan would do more than a hundred acts of parliament towards enriching and civilising India, and rendering her a large customer for British manufactures, by affording her the means of exchange and purchase. His Majesty's ministers, doubtless, see this prospect, but they see it at a distance, and with so many intervening obstacles, that, in common with every candid

and intelligent mind, they hope more than they expect. They cannot conceal from themselves, that a vast capital is, in fact, employed and fixed in the West India islands, and that every consideration of prudence and humanity compels them to respect such large existing interests. But as this question must eventually be determined by a comparison between the interests of the West Indies on the one side, and of the British empire at large (as well as of the East Indies on the other), they foresee that a condition of things must arise, under which the subordinate interests of the part must yield to the greater interests of the common welfare.

Under the head of our foreign relations, our policy has been invariably directed towards the preservation of the peace of Europe, and the continuance of that equality and just distribution of power which were established by the late treaties, and which compose the only adequate means by which the general peace can be upholden. We have always refused and discountenanced any interference in the private concerns of independent states; and have required proof of a very extreme condition of things, before we could be induced to admit that the internal excesses of one nation, and those excesses proceeding upon principles unquestionably anarchical, can justify an appeal to the

commonwealth of Europe, to abate the civil disorders of a particular state as a general nuisance.

In the disputes between Russia and the Sublime Porte, we have sought at once to maintain peace, and to procure those guarantees for the future safety of the Greek provinces, which are consistent with the independence of the Turkish government, and with the indisputable rights of the sovereign over his own subjects. The maintenance of general peace is unquestionably the first and most important of all our interests; but whilst we have sought this object according to its paramount consequence, we have not undervalued the further obligations of generosity, compassion, and Christian feeling towards a people of the same common faith as ourselves. In the struggles which have agitated Europe, both in the East and the West, our policy has been cautious, but manly, and decisive. We have been neutral, but not indifferent; impartial, but not insensible. We have been desirous to see the same free institutions, the same quickening spirit of liberty and civil policy, flourishing and spreading in every other country as well as in Great-Britain; being satisfied that the prosperity, freedom, and the due station of the several kingdoms and communities of Europe,

can affect England with no feelings of jealousy or envy.

The eminent services and just influence of an illustrious chief, at the late Congress of Verona, will, perhaps, be more impartially appreciated by posterity than by the present generation. He has, possibly, repeated in the cabinet and council what he had before achieved by his sword. Possibly, it may be owing to him, and to him almost only, that the country, which his unconquerable valour, and consummate prudence, have once already defended, is saved from again becoming the theatre of a warfare, upon which the late miseries of Europe might be renewed.

Such is the state of our affairs under the general heads in which it has been attempted to examine them, and such are the prospects with which we commence a new year.

Upon the general questions of domestic policy which are likely to agitate parliament in the ensuing sessions, it would be premature to give an opinion. But even upon that stage, however numerous the candidates, and however brilliant the prizes, it is obvious, that public opinion has intelligibly pronounced the principles upon which they are to be awarded and distributed. No party of men can justly hope for the confidence of the people of England, to

whom its honour and public faith are matters of indifference. No persons can expect the high trust and confidence of public office, who are accustomed to deride and undervalue the obligations of the State. His Majesty could scarcely be recommended to take those persons into his councils, who are either lukewarm in their affections to the establishments which entrench and support his crown, or who, in those cases in which they can express a public opinion, treat them rather as objects by which the people are cheated and deluded, than as administering to their happiness and honour, to their consolation in life, and their refuge in death. *Profecto, magna est eorum insipientia, qui imperium alio modo conflatum et alio conservandum existimant.*

FINIS.

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